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Dealing With Chinese: Business Is Business

From Kid Gloves to Bare Fists, U.S. Firms Fight for Market Share

By David E. Sanger
New York Times Service

SEATTLE — After this month, in an extraordinary example of corporate diplomacy, Boeing Co. will airlift its entire board to China.

Ostensibly, the directors will simply be holding their regular bimonthly meeting there, while touring sites like the huge construction hangars in Xian where, with Boeing's help, tens of thousands of workers are trying to transform China into a world-class aerospace power.

But the real purpose of the China tour is to deepen Boeing's ties to a small clutch of Chinese leaders who are by turns the aircraft maker's best customers and worst enemies.

Boeing is working harder than ever to impress the Chinese, intervening to defuse the cycle of recriminations between Beijing and Washington that has already begun to poison Boeing's hold on China's civilian aerospace market.

Just across Lake Washington, Microsoft Corp. has developed a different approach — one that is often far more confrontational. Bill Gates, Microsoft's chairman, was in Washington 10 days ago to denounce China's failure to live up to its agreement to close the factories that produce billions of dollars of counterfeit versions of American software, music and videos.

Just days away from Washington's June 17 deadline for China to close the pirate factories or face more than $2 billion in sanctions against Chinese goods, Microsoft lawyers are literally leading Chinese police to the pirates' lairs, insisting on raids.

But to Microsoft, business is business, and its stranglehold on something the Chinese desperately need — an understanding of the software that will make or break China's huge investment in the personal computer industry — allows it to stay clear of superpower diplomacy.

The divergent approaches to dealing with China at Boeing and Microsoft — conciliatory versus confrontational — are a reminder that the U.S. officials are not alone in floundering to find a consistent and effective China policy. So is American business.

Rarely have so many industries, with so many interests at stake, been so divided about how best to handle a country with so much market potential and so much political volatility.

Those divisions have come to the surface more starkly than ever now that the United States is threatening sanctions even as it presses Congress to renew most-favored-nation status for China.

So far, neither Boeing's nor Microsoft's tactics can be called an overwhelming success. Boeing has spent 25 years developing a nuanced corporate policy toward China, yet it has been roughed up twice by the country in the past two months: to strike back at Washington, Beijing has handed Boeing's European competitors, Airbus Industrie, a major aircraft order and then given them a share in a long-term effort by China to build a 100-seat airliner.

China closes four illegal disk makers before more trade talks. Page 11

Philip M. Condit, Boeing's president and chief executive who has built a team that is considered the most China-savvy in corporate America, winces over how China has treated its corporate ambassador in recent months. "We are the designated hostage," he said.

Microsoft executives, despite impressive sales gains in the past year, fear that China's reluctance to curb rampant software piracy and its inclination to exert government control over the Internet could keep its business there tied down for years.

Boeing's dedication to China is understandable: China is the world's most promising air market.

In 1994, the company's best year there, sales hit $1.25 billion, more than 10 percent of its foreign sales and 25 percent of its commercial sales that year in the United States. Last year, a rough year for Boeing because of a big strike, the figure dropped to $721 million, but China still accounted for 1 of every 10 planes Boeing made.

Boeing has become China's most valuable lobbyist. Each year it takes up China's cause in the most-favored-na-

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Yan Kadovnov/Agence France-Presse

YELTSIN SEES VICTORY — President Boris N. Yeltsin, campaigning in Kazan, taking part in a Tatar festival in which a blindfolded man must break a plate with a staff. Mr. Yeltsin did. He also said in a television interview his 'intuition' told him that he would win next week's election outright.

White House Apologizes For Collecting FBI Reports

But Dole Cries Foul, And Republicans Call for Hearings

By Brian Knowlton
International Herald Tribune

WASHINGTON — The White House apologized Sunday for having obtained confidential FBI reports on more than 300 people, many of them prominent Republicans, during the early months of the Clinton administration.

Officials said the files, on such people as former Secretary of State James A. Baker 3d and a top adviser to Newt Gingrich, the speaker of the House, were obtained through "bureaucratic error" and were never examined.

But the Republicans' presumptive presidential nominee, Senator Bob Dole, compared the background check to the "enemies list" compiled by the Nixon White House. "I think it smells to high heaven," he said, adding that the president "owes an apology to the individuals involved and to all Americans for this sad invasion of privacy."

Republicans called for congressional hearings, saying that many questions were still unanswered, and made it clear that the Democratic administration would not be allowed to shrug off the incident as an innocent error.

In Las Vegas on Sunday, President Bill Clinton's only comment was, "It appears to have been a completely honest bureaucratic snafu."

But Leon Panetta, the White House chief of staff, said that the ordering of the files could not be justified.

"A mistake has been made here," he said Sunday on NBC-TV. "It is inexcusable, and I think an apology is owed to those that were involved."

Treasury Secretary Robert E. Rubin called the matter "a very serious mistake" but said it had been made innocently by "a relatively junior army detailee."

According to the White House, a civilian employed by the army to establish a list of permanent passes to the White House had inadvertently obtained an outdated list from the Bush administration and had unwittingly obtained the FBI files of those on the list.

White House officials said the files were ordered returned to the FBI after senior officials learned of their existence on Thursday. The files had been kept in the White House archives.

To back their contentions of bureaucratic error, administration officials noted that the army aide did not get beyond the letter "G" before leaving his assignment. The error, they said, was discovered by his successor, who immediately halted the process.

Among those whose records were obtained, along with Mr. Baker, was Tony Blankley, press secretary to Mr. Gingrich. Also on the list was Kenneth M. Duberstein, a White House chief of staff under President Ronald Reagan and an adviser to Colin L. Powell, the former chairman of the joint chiefs of staff.

But the White House protestations of innocence clashed with a statement from the army aide who ordered the files.

Anthony Marceca of the Army Criminal Investigation division told The Washington Post that he had reviewed files for "derogatory information." White House officials said it would be difficult for them to answer some questions about the handling of the files because both the FBI and the Whitewater independent counsel, Kenneth W. Starr, were investigating the matter.

Mr. Starr is examining the White House's actions in the 1993 firings of the travel office staff. The former travel office director, Billy R. Dale, was one of the people for whom the White House improperly received an FBI file.

Deficit Revision Makes Paris Squirm

By Joseph Fitchett
International Herald Tribune

PARIS — In a sharp blow to the French government, figures that came to light on Sunday showed that social security reforms would not balance welfare accounts by 1997, the target date for meeting the criteria for a single European currency.

In fact, despite a new income tax to help meet health costs, the shortfall this year will be three times the amount predicted by the government — nearly 48.6 billion francs ($9.3 billion), instead of 16.6 billion francs. Social security, which includes health care, family subsidies and pensions, accounts for nearly one-sixth of the public deficit that France is trying to cut to 3 percent of gross domestic product.

This gloomy forecast — slightly worse than independent estimates — appeared in a report by Parliament's committee on welfare accounts that was leaked ahead of its publication this week. The social affairs minister, Jacques Barrot, confirmed the figures late Sunday, Reuters reported.

Experts had disputed Prime Minister Alain Juppé's prediction last year that he would bring the shortfall down to 16.6 billion francs. Indeed, Finance Minister Jean Arthuis predicted in April that the imbalance would be 40 billion francs.

The worst news for Mr. Juppé was the implication that his policies, which triggered a paralyzing bout of national protests and strikes late last year, may have to get even tougher this year. To get back on track to meet the Maastricht criteria for a single currency, the report said, "new cost-cutting measures" will be required, presumably of the sort that have kept social tensions high.

In the report, Mr. Juppé's programs were praised for averting an even larger deficit, which it said would have been "catastrophic" for French hopes of

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What Next in the Mideast? Just Read Bibi's Lips

By Serge Schmemann
New York Times Service

JERUSALEM — In all the questioning about what Prime Minister-elect Benjamin Netanyahu intends to do about peace with the Arabs, probably the simplest approach is to take him at face valne.

For all the campaign slogans and spin, both he and the Likud party have been consistent on the basics: Yes to continning negotiations with the Palestinians and the Syrians. Yes to improving relations with Egypt, Jordan and other Arab states. No to a Palestinian state. No to any division of Jerusalem. No to giving up the Golan Heights.

Add to this an intention to use the army bullishly against terrorism, and a readiness to build new Jewish settlements in the West Bank, and there you have it.

NEWS ANALYSIS

Not surprisingly, these elements figure prominently in a draft program for the new government made available to the daily Maariv last week. Though not yet adopted, the program offers a fairly straightforward summary of what the Likud and Mr. Netanyahu, known as Bibi, have been saying all along.

Based on this, Mr. Netanyahu's approach to the peace process is likely to follow the script written by President Hafez Assad of Syria — hold off peace but hang on to the process. That is what Mr. Assad has been doing for several years now, receiving Secretary of State Warren M. Christopher at every opportunity and sitting down to one negotiating table

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Netanyahu Silent On Arab Summit

Israel had no official reaction Sunday to the call for an Arab summit made by Egypt. The meeting of 11 heads of state is planned for June 21-23 in Cairo. The office of Israel's prime minister-elect, Benjamin Netanyahu, said it would issue a statement once it had formed a government. A Netanyahu aide said, "I hope we will be able to both reassure and to make manifest our desire to further the peace." (Page 9.)

AGENDA

Tentative Deal On Chechnya

NAZRAN, Russia (Reuters) — Chechen separatists on Sunday set a Monday deadline for signing an agreement with Russian negotiators to end the 18-month conflict in the breakaway territory.

Both sides said they had essentially agreed on a timetable to withdraw Russian troops from the region and for rebels to lay down their arms.

But Chechen rebels made the military agreement conditional on solving the tricky question of when and how a local election to a Chechen assembly should be held.

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France to Be Fully in NATO

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	14 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	£E 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1.250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1.250 JD	U.S. Mil. (Eur.)	$1.20

EU Blockade Is a Showcase of British Misjudgment

By Tom Buerkle
International Herald Tribune

BRUSSELS — Far from persuading its European partners to lift their ban on the exportation of British beef, London's policy of obstructing European Union business has been a failure that threatens to prolong for months the crisis arising from "mad cow" disease, EU officials say.

There was no sign over the weekend that either side would soften its position at a meeting of EU foreign ministers on Monday in Luxembourg.

The policy of "noncooperation" has failed because Britain has underestimated consumer fears about bovine spongiform encephalopathy, which have forced European governments to hold firm to the ban, EU officials said.

What's more, they added, London has misjudged the political reaction to its tactics, with European governments hardening their position rather than giving in to what they regard as blackmail.

As a result, EU officials said, Prime Minister John Major faces an unenviable choice. He can abandon his hard-line tactics to win back the favor of his fellow EU leaders — a move that would probably enrage the anti-Union faction on the right of the Conservative Party and endanger his government — or he can continue to block Union business and deepen his country's isolation with little hope of winning an early end to the ban.

Tactically, Mr. Major's campaign has failed because there are few vital EU issues to block.

On Monday, for example, the British foreign secretary, Malcolm Rifkind, was expected to block approval of EU funding for elections in Bosnia-Herzegovina and of a mandate for a trade and political cooperation agreement with Algeria, which will take more than a year to negotiate in any case.

In its only conciliatory gesture, London indicated that it would not block the signing of a trade agreement with Slovenia.

Reflecting a growing exasperation on the Continent at Britain's tactics, a French diplomat said that a resolution of the crisis "depends on the British, it doesn't depend on the others."

And Gijs de Vries, the Dutch leader of the Liberal bloc in the European Parliament, said: "The British ship of state is a rudderless vessel marooned on cliffs of its own making."

After visiting six EU capitals last week to press Britain's case, Mr. Rifkind said obstruction would continue until the Union agreed to a program for the gradual lifting of the ban on exports

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50 Years on Thai Throne

A Day of Pomp for Glue That Binds Nation

By Seth Mydans
New York Times Service

BANGKOK — More than a century ago, King Mongkut of Thailand put a new spin on the monarchy, accepting the fealty of his subjects but also pledging his own loyalty to them.

On Sunday, his great-grandson, King Bhumibol Adulyadej, the world's longest-serving living monarch, celebrated his 50th anniversary on the throne in a day of pomp, ancient ritual and a nationwide outpouring of affection.

He has made King Mongkut's pledge a watchword of his life and in so doing has become, on the strength of his character, political astuteness and hard work, the embodiment of his nation, a force for unity and national dignity that has kept Thailand afloat through 15 constitutions, 17 coups and 21 prime ministers.

In a time of wrenching social and economic change, as Thailand has hurried helter-skelter from a small, poor, agrarian nation to an emerging modern state, when traditions and social norms are under pressure, the 68-year-old king defines Thais to themselves.

Little celebrated in the outside world, King Bhumibol — Rama IX of the Chakri dynasty — is one of the great national leaders of his time; certainly the most influential constitutional monarch of the century. It has become a cliché to say that he is the glue that binds this Buddhist nation of 59 million.

It is a role he has created over the decades, and the veneration in which he is held by his subjects, and what is known as the extra-constitutional "reserve power" that it brings him, are something he has earned, rather than inherited. When he came to the throne as a teenager in 1946, the institution had all but disintegrated, 14 years after a coup

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Kafelnikov Captures French Open Title



Yevgeni Kafelnikov kissing the winner's trophy at Roland Garros Stadium in Paris after finishing off Michael Stich by 7-6 (7-4), 7-5, 7-6 (7-4) to win the French Open tennis tournament on Sunday. Steffi Graf captured the women's title on Saturday by defeating Arantxa Sánchez Vicario in three sets.

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- Avalanche can smell the Cup.
- Russian wins the Giro d'Italia.
- Bulls are closer to NBA title.

Romance in Foreign Policy? / **Strobe Talbott's Eye on the Kremlin**

Russia Vote: Test for Clinton's Expert

By Steven Erlanger
New York Times Service

WASHINGTON — Nelson Strobridge Talbott 3d, deputy secretary of state, Russian expert, renowned Time journalist and graduate-school classmate of President Bill Clinton, stopped abruptly in front of a television set.

With the June 16 first round of the Russian election fast approaching, the puffy face of Boris N. Yeltsin was on the screen.

"What's that?" Mr. Talbott asked urgently. President Yeltsin, it turned out, was fine, simply making another campaign pledge.

Victoria Nuland, the very organized executive assistant to the chronically disorganized Talbott, laughed and asked sweetly, "Are we tense?"

It is a testing time, these days for Mr. Talbott, who goes by the name "Strobe."

He is wholly identified with the Clinton administration's policy toward Russia, the reason President Clinton brought him into government.

While Mr. Yeltsin may win re-election, a victory by the Communist Party leader, Gennadi A. Zyuganov, would be a stunning blow to the Clinton administration's reputation for foreign-policy management, and to Mr. Talbott personally.

In a debate about "who lost Russia?" Mr. Talbott, fairly or not, would be a favorite culprit.

The administration's policy has shifted as conditions in Russia have changed, and it now concentrates more on managing Russia than trying to reinvent it on the Western model.

There is more emphasis on security issues and expansion of the North Atlantic Treaty Organization.

But Mr. Talbott and President Clinton have put their bets regularly on Mr. Yeltsin, much as Mr. Clinton invested his prestige in the failed re-election campaign of the Israeli prime minister, Shimon Peres.

They have tried their best not to undermine him. They have supported him through the last difficult years with United States and International Monetary Fund loans and with advice and patience, despite economic swings, policy shifts, tank gunfire into the Russian Parliament building and military slaughter in separatist Chechnya.

Officially, American policy supports "democratic and market reform," not personalities. The administration has had contacts with nearly all Russian opposition movements. But Washington has decided that Mr. Yeltsin is the only Russian "reformer" with a chance of beating Mr. Zyuganov, making its support ordained and its gamble clear.

While Mr. Talbott has become "more hardheaded" about Russia's difficulties, a critic in the State Department said, "he is still a romantic at heart about Russia."

"The problem is," the official added, "he has no deep sense of real life and real interests. It's all romance with him. It's less now, but that's the main problem with this Russian policy."

In the State Department, among Secretary of State Warren M. Christopher's inner circle, there is much more disagreement about Russia and its intentions.

There is more internal criticism day to day about Mr. Talbott's line, which favors steady support for Russian reform and patience with the messy transition from communism to a free market economy. Other branches of the U.S. government, especially the Pentagon, are concentrating more on what may be required to "contain" a neo-Communist Russia if it becomes aggressive.

They are thinking of readiness to confront Moscow on issues ranging from compliance with treaties on biological and chemical weapons to Russian arms sales and nuclear-power cooperation with Iran and China.

There is less concern with market reform and democratization, which Mr. Talbott and Mr. Christopher still regard as crucial factors for shaping Russia's behavior beyond its borders.

As the ground of Russia has changed, "Strobe's views have changed, too," said a colleague, who, like all the others who spoke, refused to criticize Mr. Talbott unless promised anonymity.

Beginning at preparatory school with a love of the Russian language and literature, Mr. Talbott arrived at Yale already fluent, and only later got into the politics of bureaucracy and arms control.

There are two kinds of Russian experts, said

'It's all romance with him. It's less now, but that's the main problem with this Russian policy.'

Angela Stent, professor of government at Georgetown University, who like nearly every American in Russian studies knows Mr. Talbott.

One group believes that "Russians are genetically incapable of taking political and personal responsibility."

This group, she said, has "already written off Russia, saying it's all gone wrong, and they call themselves realists."

"So what we do is defend ourselves," she added, "and don't try to engage them and don't really care what happens inside."

Then there are those like Mr. Talbott "who believe that, despite all the difficulties, you should engage with the Soviets, encourage the best features of the society and try to work out the best relationship you could."

Mr. Talbott's bottom line, she and others agree, is to stand "for engagement at a minimum and partnership wherever possible."

The charge of romanticism stems largely from overly optimistic predictions, which Mr. Talbott was not alone in making, about how smoothly and quickly Russia might make its transition.

They failed to see how incompetent its democrats and reformers would be in office.

"We developed a kind of paternalistic feeling and treated them as teenagers, and to the extent they followed our guidance, we became overly protective," said Dimitri Simes, president of the Nixon Center.

"We should tell the truth to ourselves and themselves about some of the more disagreeable aspects of Russian foreign-policy conduct."

Mr. Simes continued: "I think his self-confidence was a little misplaced, and the combination of his 'I know it all' phenomenon and his closeness to the president and his bureaucratic skills undermined the normal analytic procedure of policy-making."

Even now, President Yeltsin's Russia has become less friendly toward the United States, more nationalistic and rhetorically aggressive.

In Mr. Talbott's words, "There's more scratchiness in the relationship."

It is unclear what a Yeltsin victory could mean for American policy in Russia, particularly if he keeps his election promises and re-ignites high inflation.

What Russia would be like in a second Yeltsin term, let alone what a Communist presidency might mean, preoccupies Mr. Talbott and his high-ranking, interagency Policy Steering Group, which he has headed since the office of Ambassador to the Newly Independent States was created for him. Meeting regularly, the Rump Group, as it is called, works out the operational details of policy on the former Soviet Union, from what stance to take on an issue to what reaction should be given to the press.

After becoming deputy secretary in December 1993, handing the Newly Independent States job to his deputy, James F. Collins, a career diplomat, Mr. Talbott has kept "the Russia account."

Given his closeness to Mr. Clinton, one of Mr. Talbott's critics suggests, it is no accident that in the whole first term there has only been one meeting of the president, Mr. Christopher and his cabinet-level colleagues on Russia policy.

That was in February to discuss the possibility of a Communist victory in the presidential election.

Some people in the government think that Mr. Talbott's new job of deputy secretary, as he and Mr. Christopher have defined it — with responsibility for Bosnia, Haiti, Latin America, Africa and other matters — means that Mr. Talbott cannot keep up with Russia and the other former-Soviet states.

Sometimes, they say, he dips into issues that have moved on in ways he does not fully comprehend.

ON the issue of NATO enlargement, Mr. Talbott has shifted, through a sometimes noisy internal debate that he largely lost.

In 1993, he agreed in principle with NATO's expansion in principle. But he wanted it to move very slowly with a prime emphasis on a deep partnership with the emerging Russia.

"Over time," said a colleague who is less sympathetic to Russian discomfort, "it became clearer and clearer to Strobe how central expansion of NATO is to European security, and he's become much more outspoken about it."

Richard C. Holbrooke, a former assistant secretary of state and a close friend of Mr. Talbott's, said that once Mr. Talbott's portfolio was enlarged beyond Russia, he quickly understood the value of NATO as a stabilizing factor in Central Europe.

"As the former Time bureau chief for Eastern Europe, he was the only one on the seventh floor who had ever actually lived there," Mr. Holbrooke said.

Moreover, Mr. Holbrooke said, the rising profile of the Communists and nationalists in Russia convinced Mr. Talbott that it was better to have a methodical NATO expansion under way now rather than react abruptly if Russia turned more menacing.

Stephen Sestanovich of the Carnegie Endowment, who was a National Security Council aide to President Ronald Reagan, says he believes that Mr. Talbott "lost control of the NATO policy" in 1994, when Mr. Clinton's foreign policy in general looked so bleak.



J. David Ake/Agence France-Presse

Strobe Talbott is a longtime friend of Clinton 's who guides policy and predicts events.

Like many Russian specialists and unlike many Republicans, Mr. Sestanovich regards rapid NATO expansion as bad policy, throwing out of whack the "very risky" Clinton effort "to balance policies that don't go together very well: partnership and containment."

"It was very good to give him a separate and enhanced standing within the State Department and it was — basically — good to have someone whose policy is Russia first," Mr. Sestanovich said.

"Because Russia is first. And as long as he could keep it from becoming Russia only, that was the right priority."

Some officials say Mr. Talbott was slow to recognize the importance of a full range of relations with key non-Russian nations, especially Ukraine, because of Moscow's sensitivities.

But the same people give him the credit for a lasting success in getting Kiev to agree to give up nuclear weapons and sign on to an International Monetary Fund program.

On Russia as well as Haiti and Bosnia, Mr. Talbott is described as a strong proponent of steadiness and keeping to long-term policy goals despite the swings of daily events.

While he was criticized for caution in Bosnia out of concern for Russian reaction if NATO should use force, he is also described as steadier than some others when Bosnia went critical, urging the use of American air power and troops there as well as in Haiti, "while others were flapping around, not so attractively," an official said.

Mr. Talbott, who is 50, attributes his position in large measure to what he calls the "particularly bizarre biographical accident" of having been Mr. Clinton's housemate at Oxford University, where they were Rhodes scholars.

Thomas E. Donilon, Mr. Christopher's chief of staff and a strong proponent of rapid NATO expansion, once famously said of Mr. Talbott to a colleague: "I may fight with him over Russia, but there's only one person in this building the president calls Sunday night to see how he's doing, and that person isn't Warren Christopher."

But according to colleagues, a large part of his strength in the bureaucracy comes from his journalistic skills — his fierce curiosity, his analytical talent and his knack for that underrated weapon of bureaucratic influence: the concise, well-worded memo.

Mr. Talbott says one of his biggest adjustments from journalism, where one person, by and large, writes an article, is to understand how thoroughly collaborative policy-making is in diplomacy.

TRAVEL UPDATE

Nazi Art Goes on Display in Berlin

BONN (Reuters) — Germans will get their first look at some Nazi-era art, locked away since the end of World War II, in an exhibition likening art under communism and fascism.

Chancellor Helmut Kohl will open the show at Berlin's Museum of German History on Monday.

The 200 German paintings and sculptures, including works banned as "degenerate" by the Nazis, are part of an "Art and Power" exhibition that compares the art of Nazi Germany, Mussolini's Italy, Franco's Spain and Soviet Russia.

"The idea was to take another look at that art 50 years after the war," said David Mardell, who is in charge of exhibitions at the Council of Europe, which commissioned London's Hayward Gallery to put the show together last year.

Jordan-Israel Bus Routes Opened

AMMAN, Jordan (AFP) — Bus routes were opened for the first time between cities in Jordan and Israel on Sunday as part of the peace accord signed between the neighboring countries in 1994, officials said.

The six direct lines from Jordan include Amman-Tel Aviv, Amma-Nazareth, Amman-Haifa, Irbid-Haifa, Irbid-Nazareth and Aqaba-Eilat, said Transport Minister Nasser Lauzi, adding that the service would be provided by a private Jordanian company.Two daily departures are scheduled for each route from Jordan, Mr. Lauzi said, adding that an Israeli company was also to begin departures from the Jewish state on Sunday.

Mayor Jean-Claude Guibal of the French Riviera town of Menton has banned begging and newspaper vendors from its streets, his office said on Sunday. The sale of alcoholic drinks in the streets of the town center is also banned. *(Reuters)*

Piles of rotting rubbish grew in Athens on Sunday because of a dispute over where to put the garbage of this city of 4 million people. Protesters have been blocking traffic and burned a municipal car in the towns of Keratea and Avlona, where the government has been studying sites for a new rubbish dump. Meanwhile, residents in the suburb of Ano Liosia have kept the city's main dump closed to press demands it be shut.Protesters say the garbage facilities pose health hazards to local residents. *(Reuters)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Argentina, Australia, Colombia, Congo, Guyana, Jordan, Macau, Portugal, Thailand, Venezuela.

TUESDAY: Libya.

WEDNESDAY: Paraguay, Philippines, Russia.

THURSDAY: Portugal.

FRIDAY: Malawi.

SATURDAY: Hong Kong.

Sources: J.P. Morgan, Reuters, Bloomberg.

WEATHER

Europe

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algarve	28/78	19/66 pc	28/78	19/66 s
Amsterdam	21/70	17/62 pc	21/70	14/57 sh
Ankara	25/77	7/44 s	28/82	12/53 s
Athens	32/89	18/64 s	32/89	21/70 s
Barcelona	25/77	18/64 s	27/80	18/66 s
Belgrade	34/93	19/66 s	33/91	20/68 pc
Berlin	27/80	15/59 pc	27/80	17/62 c
Brussels	24/75	16/61 pc	25/77	14/57 t
Budapest	35/95	21/70 s	34/93	22/71 pc
Copenhagen	23/73	14/57 pc	26/79	14/57 sh
Costa Del Sol	28/79	22/71 pc	27/80	20/68 pc
Dublin	14/57	9/48 sh	18/61	9/48 sh
Edinburgh	14/57	12/53 r	14/57	9/48 r
Florence	29/84	19/66 pc	31/88	19/66 pc
Frankfurt	28/82	18/64 pc	28/82	18/64 c
Geneva	25/77	17/62 pc	27/80	18/64 pc
Helsinki	20/68	13/55 sh	19/66	13/55 sh
Istanbul	29/82	14/57 s	30/86	18/64 s
Las Palmas	24/75	21/70 s	25/77	20/68 pc
Lisbon	25/77	16/61 s	27/80	19/66 s
London	23/73	12/53 sh	19/66	13/55 sh
Madrid	31/88	17/62 pc	30/86	18/64 c
Milan	30/86	19/66 pc	32/89	21/70 s
Moscow	29/84	18/61 s	24/75	14/57 sh
Munich	26/79	16/61 pc	27/80	16/61 pc
Nice	28/79	17/62 s	27/80	19/66 s
Oslo	18/64	12/53 c	21/70	12/53 sh
Mallorca	24/75	19/66 s	25/77	19/66 s
Paris	29/84	17/62 pc	28/82	16/61 pc
Prague	28/82	16/64 c	28/82	17/62 c
Reykjavik	12/53	10/50 r	12/53	6/43 t
Rome	29/84	19/66 pc	30/86	18/66 s
St. Petersburg	27/80	14/57 pc	23/73	13/55 c
Stockholm	18/64	12/53 sh	20/68	13/55 pc
Strasbourg	28/82	20/68 pc	29/84	18/64 c
Tallinn	21/70	13/55 sh	18/64	13/55 sh
Venice	28/84	21/70 s	30/86	22/71 s
Vienna	30/86	17/62 s	29/84	19/66 pc
Warsaw	30/86	16/61 c	31/88	17/62 c
Zurich	26/79	18/64 c	28/82	17/62 c

Oceania

Auckland	14/57	8/46 t	14/57	9/48 pc
Sydney	18/61	11/52 sh	19/66	11/52 pc

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Jetstream · Unseasonably Cold · Unseasonably Hot · Heavy Rain · Heavy Snow

North America
Cool with a shower in Chicago Tuesday, then sunnier and warmer Wednesday and Thursday. Humid in Washington, D.C., and New York City the middle of this week and it might thunderstorm. Seasonable Tuesday through Thursday in Los Angeles; morning clouds, afternoon sunshine.

Europe
Most of Europe will be dry and very warm to hot through Thursday. London will have showers Tuesday, but will otherwise be partly sunny and comfortable. Partly sunny and very warm in Berlin, while Warsaw to Moscow will be sunny and hot. Dry and warm across France, Spain and Italy.

Asia
It may thunderstorm in Beijing Tuesday but will be partly sunny, breezy and pleasant through Thursday. Warm and humid in Tokyo with a shower or thunderstorm possible at any time. Western China will be hot and dry through Thursday.

Middle East

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Abu Dhabi	34/93	27/80 s	32/89	26/79 pc
Beirut	28/82	19/66 s	28/84	21/70 s
Cairo	33/91	17/62 s	35/95	19/66 s
Damascus	27/80	11/52 s	29/84	14/57 s
Jerusalem	25/77	14/57 s	27/80	17/62 s
Luxor	41/106	19/66 s	43/109	21/70 s
Riyadh	42/107	23/73 s	40/104	25/77 s

Africa

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algiers	25/77	18/64 s	24/75	18/64 pc
Cape Town	21/70	9/48 s	19/66	7/44 pc
Casablanca	24/75	15/59 s	25/77	15/59 s
Harare	28/82	13/55 pc	27/80	13/55 pc
Lagos	29/84	23/73 c	29/84	24/75 c
Nairobi	24/75	14/57 pc	23/73	13/55 pc
Tunis	27/80	19/61 s	28/82	17/62 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

Asia

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Bangkok	33/91	25/77 pc	34/93	25/79 pc
Beijing	35/95	14/57 t	33/91	19/66 s
Hong Kong	30/86	25/79 pc	31/88	26/79 pc
Manila	34/93	24/75 pc	34/93	24/75 pc
New Delhi	41/106	30/88 s	41/106	30/88 s
Seoul	24/75	19/64 sh	28/82	18/64 c
Shanghai	29/84	24/75 t	28/84	22/71 pc
Singapore	31/88	24/75 sh	32/89	24/75 sh
Taipei	31/88	23/73 c	31/88	23/73 c
Tokyo	22/71	18/64 r	23/73	18/64 r

Latin America

Buenos Aires	19/66	13/55 pc	22/71	12/53 pc
Caracas	30/86	18/64 c	29/84	18/64 pc
Lima	19/66	16/61 c	19/66	16/61 pc
Mexico City	24/75	13/55 pc	24/75	13/55 t
Rio de Janeiro	33/73	19/61 pc	24/75	18/64 pc
Santiago	16/64	4/39 s	17/62	8/46 pc

North America

Anchorage	14/57	6/43 sh	13/55	4/39 pc
Atlanta	28/82	18/64 pc	27/80	18/64 pc
Boston	26/79	19/66 c	27/80	18/64 c
Chicago	22/71	14/57 t	27/80	16/61 sh
Denver	31/88	13/55 pc	34/93	15/59 s
Detroit	26/79	18/64 t	23/73	17/62 sh
Honolulu	28/82	24/75 c	30/86	23/73 pc
Houston	33/91	21/70 s	33/91	22/71 pc
Los Angeles	31/88	19/61 s	29/84	16/61 pc
Miami	31/88	24/75 t	31/88	25/77 t
Minneapolis	28/82	16/61 s	30/86	18/64 s
Montreal	23/73	11/52 c	26/79	11/52 pc
Nassau	31/88	24/75 pc	32/89	24/75 pc
New York	27/80	21/70 c	28/82	19/66 c
Phoenix	42/107	28/82 s	43/109	28/82 s
San Fran.	20/68	11/52 s	21/70	12/53 s
Seattle	20/68	8/46 t	21/70	11/52 pc
Toronto	21/70	13/55 t	24/75	13/55 pc
Vancouver	17/62	11/52 sh	21/70	12/53 pc
Washington	28/82	22/71 c	28/82	20/68 t

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Brazil	000-8016	Indonesia (Indosat)	001-801-15	Philippines (PhilCom) ▲	102-611	United Kingdom (Mercury)	0500-89-0877
British Virgin Islands	1-800-877-8000	Indonesia (Satelindo)	008-801-15	Philippines (PLDT)	105-16	Uruguay	000417
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Cayman Islands	1-800-366-4663	Italy +	172-1877	Puerto Rico	1-800-877-8000	Vietnam (calling centers)	1201-1111
Chile	00◆0317	Jamaica (hotels)	875	Romania +	01-800-0877		
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THE AMERICAS

Arson Attacks at Black Churches

Clinton Says 'Racial Hostility' Is Behind 30 Suspicious Fires

By Dan Morgan
Washington Post Service

WASHINGTON — President Bill Clinton says that "racial hostility" is responsible for a rash of church burnings in the South and that he supports proposed legislation to make it easier for the federal authorities to prosecute cases involving arson.

Less than 48 hours after arson destroyed a 93-year-old wooden sanctuary at a black church in Charlotte, North Carolina, the president used his weekly radio address to the nation Saturday to condemn the attacks.

The Charlotte fire was the 30th suspicious fire involving a black church in the South in 18 months. Mr. Clinton said that although there was as yet no evidence of a national conspiracy, "it is clear that racial hostility is the driving force behind a number of these incidents."

He said the "crimes" recalled "a dark era in our nation's history," and added, "This must stop."

With Mr. Clinton were two black ministers whose churches have been burned and the Reverend Joan Brown Campbell, general secretary of the National Council of Churches, an ecumenical group that has been trying to focus attention on the incidents.

In May, the council submitted testimony to a congressional panel stating that 57 black and interracial churches have been burned or vandalized since 1990.

It also criticized investigators for focusing their inquiries too much on pastors and congregations, in some cases asking ministers to take polygraph tests.

But the Reverend Terrence Mackey of Mount Zion AME Church in Greeleyville, South Carolina, one of the two ministers with Mr. Clinton on Saturday, said he believed that "by and large I think law enforcement is doing O.K. in some cases."

But he added: "I don't think they took it seriously at first. They're taking it more seriously now."

On Sunday, Mr. Campbell was to lead a delegation of ministers from burned churches to meet with Attorney General Janet Reno to discuss the investigations.

On Monday, the group is to see Treasury Secretary Robert E. Rubin, whose jurisdiction includes the Bureau of Alcohol, Tobacco and Firearms, which is charged with investigating violations of federal arson or explosives laws and assisting local authorities with their cases.

Mr. Clinton said that more than 200 agents from the FBI and the firearms' bureau were working with state and local authorities to solve crimes involving black churches.

Seven arrests related to five fires have been made in cases in which the firearms' bureau provided assistance.

The FBI has been investigating possible civil-rights violations, or violations of federal hate crime laws in a number of the fires, and could bring federal indictments if the information warranted that.

The firearms' bureau, meanwhile, is looking into the arson aspects. Arson cases can be tried in federal courts if it is shown that a fire has interfered with interstate commerce. Officials at the bureau said that the statute is broad enough for them to prosecute church and synagogue burnings in federal court.

Mr. Clinton said in his address that he would support legislation sponsored by Representatives Henry J. Hyde, Republican of Illinois, and John Conyers Jr., Democrat of Michigan, that is aimed at making federal prosecution even easier by eliminating ambiguities about jurisdiction and making it clear that the burning of a church is a federal crime even if damage is slight.



Chuck Burton/The Associated Press
Larry Hill looking over the remains of a building next to his Matthews-Murkland Presbyterian Church in Charlotte.

POLITICAL NOTES

Senator Dole Losing Room With a View

WASHINGTON — When he quits the Senate on Tuesday, Bob Dole will part with more than the power and prestige bestowed on the majority leader of the U.S. Senate. He is losing what he calls the second-best view in town (after the Truman Balcony at White House), a sweeping panorama of the Mall.

From his new, fireplace-less quarters a few blocks from the Capitol, on the 10th floor of his presidential campaign office, Mr. Dole's view is hardly majestic: It is the gritty railroad tracks at Union Station.

As he transforms himself from Senator Robert J. Dole, majority leader, to "just a man" named Bob, he has to fashion a new routine after serving nearly half of his 72 years on Capitol Hill. Make no mistake about how huge the changes will be for him as he tries to shed legislative and political baggage.

But there will also be these smaller, more practical concerns: Does he trade his blue suit for an open-collar shirt, as he did on his first forays into civilian life after announcing he would quit? Does he still want to be introduced at rallies as Senator Dole, as many former senators are? *(NYT)*

Read Their Lips

WASHINGTON — When President George Bush broke his "Read my lips, no new taxes" pledge in the spring of 1990, many Republicans lamented that he had handed away Ronald Reagan's legacy.

Two years later, Mr. Bush was defeated by Bill Clinton, who ran on a platform that promised tax breaks — a middle-class tax cut, he called it. But Mr. Clinton, too, turned around once in office, and put into place a deficit-reduction plan that included large new taxes.

Now, as the 1996 presidential campaign moves into its final five months, both parties are once again homing in on tax cutting as a far more appealing economic theme than deficit reduction. Mr. Clinton hopes to avoid the tax-and-spend label that Republicans like to pin on Democrats. And Republicans want to return to the theme that proved so successful for them under President Reagan.

Aiming to unveil an economic plan around the time of the Republican convention, aides to Bob Dole are drafting a tax plan they hope will be as bold and popular as Mr. Reagan's call in 1980 for an across-the-board tax cut. Their problem is to do so without making a mockery of Mr. Dole's record of fighting doggedly for deficit reduction. *(NYT)*

Quote/Unquote

Eljay Bowron, the Secret Service director, citing the danger from terrorists as he responded to complaints that the closing of Pennsylvania Avenue in front of the White House increased traffic congestion and parking problems: "If you open Pennsylvania Avenue, they can, and at some point they will, destroy the White House. It is not a matter if this will occur, but when." *(NYT)*



Don Emmert/Agence France-Presse
HELPING HIMSELF — Senator Bob Dole taking a french fry offered by a boy at a diner in Marietta, Georgia.

Blacks and Justice Thomas

Judge Stirs Powerful Emotions, Pro and Con

By Terry M. Neal
Washington Post Service

WASHINGTON — To understand the powerful emotions that Clarence Thomas generates among black Americans, look no farther than Prince George's County in Maryland.

For two weeks, the black majority suburb east of Washington has been embroiled in a bitter debate over whether the only African American on the U.S. Supreme Court should be allowed to speak at an eighth-grade awards ceremony.

Many black people in the county see Justice Thomas as a beneficiary of the civil-rights era whose decisions, they say, now threaten their ability to make money, educate their children and empower themselves.

Other blacks in the county say that Justice Thomas is a hero who is doing exactly what he should do to advance the interests of African Americans.

His rulings resonate particularly with those who credit government affirmative action programs with helping them into the middle class; who have been bused to schools to achieve racial integration; who have sent their children to colleges with the help of scholarships based on race, and who elected a black candidate to Congress for the first time four years ago.

Prince George's is a county with a slight black majority. No other jurisdiction in the United States has such a high concentration of well-off, highly educated blacks. Many of them are living an American dream once thought to be the exclusive domain of whites.

Justice Thomas has been invited to speak to eighth-graders at Thomas G. Pullen Creative and Performing Arts School, part of a public education system, now 72 percent black, that a federal judge ordered desegregated two decades ago. The invitation was offered last month by a school Parent-Teacher Association leader, canceled by the superintendent because a community protest was threatened, and then re-offered by a 6-to-4 vote of the school board.

Even some who said Justice Thomas should be allowed to speak at the school, said they disliked him intensely.

Wayne Clark, who is black and owns a public-relations firm in the county said he did not consider himself a direct beneficiary of affirmative action and other civil-rights programs. Yet he, like many of his friends and associates in the county, said he believed that lingering racism had kept alive the need for such programs.

On the other hand, some blacks strongly support Justice Thomas. Michael Steele, who is chairman of the Prince George's County Republican Central Committee said, "Think about it: The only black people who are promoted as heroes by both black people and white people are those who can run, jump or dunk a ball. Thomas is a solid man."

A recent U.S. poll by the Joint Center for Political and Economic Studies, a black research organization based in the District of Columbia, showed Justice Thomas was viewed unfavorably by 44.5 percent of blacks and favorably by 32.5 percent.

The figures are startling, said David Bositis, a senior political analyst who fashioned the poll, because most Americans can not even name more than one or two Supreme Court justices and have no strong feelings about them individually one way or another.

Away From Politics

Nearly 100 inmates barricaded themselves in the state prison at Concord, New Hampshire, and caused extensive damage before a team of prison guards stormed in and subdued them. *(AP)*

Du Pont Co. called "a blow to science" a jury's $4 million award to an eyeless 6-year-old boy whose family claims his birth defect was caused by a fungicide — inadvertantly sprayed on his mother while pregnant. (AP)

A jury has awarded a former student $600,000 on her suit accusing the University of Maryland of expelling her for speaking out about alleged faculty racism and sexism. *(AP)*

AMERICAN TOPICS

At Alluring Golden Gate Bridge, Trying to Prevent a 'Nasty Death'

Many of those who leap from the Golden Gate Bridge, which links San Francisco to Marin County, California, seem to think it is a romantic way to go. It's not, says Richard Seiden, an Oakland suicide expert. "It's a hard, nasty death."

But that has not stopped more than 1,000 people, including a record 45 last year, from leaping since the bridge opened in 1937.

So in April, the Golden Gate Bridge District began a suicide patrol. Security officers now travel the two-mile walkway in a three-wheeled scooter, watching for those with pained looks or vacant stares.

In the first 10 weeks of the patrols, seven people jumped. One survived, as do only 2 in every 100 who jump from the Golden Gate Bridge.

Many suffered from physical health problems, many from mental illness. In 1954, a man left a note that said, "Absolutely no reason except I have a toothache." A note from another man said, "Survival of the fittest. Adios — unfit."

Praising Gospel Music in Chicago

Two hundred thousand gospel lovers met over the weekend for the annual Chicago Gospel Festival. That was 10 times the turnout of the first festival, 12 years ago.

Gospel music, which originated in black churches in the South some 70 years ago, has been winning a growing following, both in the United States and abroad.

The sound of 100 voices singing a cappella in seven-part harmony is hard to resist, says Pam Morris, coordinator of the Chicago festival. Non-English speakers, she adds, "may not all understand the words, but gospel is an art form and they understand the emotion."

Short Takes

C.C. Brown's ice cream parlor, a Hollywood landmark known as the birthplace of the hot fudge sundae, has closed its doors after 90 years. The restaurant, which prepared its fudge in special copper kettles, had survived good times and bad — including the "cold war" in the 1980s, when Haagen-Dazs and Ben and Jerry's ice cream moved in down the street. Always a family-run company, C.C. Brown's finally had to give up when all eight Brown children went into other businesses.

A beer brewed specifically for women is about to be introduced in the San Francisco area. Called Sophie McCall, the beer will contain 8 to 10 times the calcium found in a conventional brew like Budweiser. Calcium is an important dietary supplement for women, who are more vulnerable to osteoporosis, or bone disease, than are men.

It's 10:34 p.m. So what? Well, that is the time when people are most likely to be having sex, according to a survey of hundreds of couples by a reproductive institute based in Lexington, Kentucky. It also happens to be the time most people go to bed. At least in Kentucky.

International Herald Tribune

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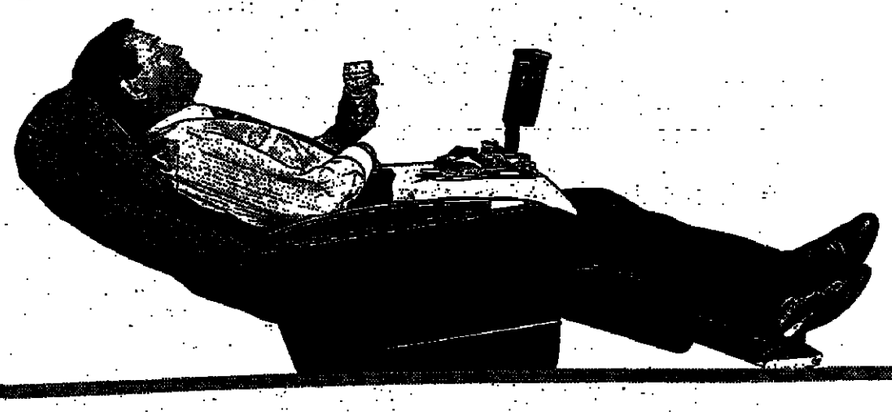
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Burma Dissident Softens Her Tone

Reuters

RANGOON — The opposition leader Daw Aung San Suu Kyi took a slightly softer line in her campaign for change in a speech to supporters Sunday, but the ruling military government gave no indication it might open talks with the opposition.

She told a cheering crowd of about 4,000 outside her Rangoon home that, with their help, she was confident of success.

"With the support and cooperation of the people everything we do is going to be successful," she said. "There will be victory."

But Daw Aung San Suu Kyi and two senior National League for Democracy colleagues refrained from direct criticism of the ruling military body, the State Law and Order Restoration Council, apparently in response to a tough new law against opposition introduced on Friday.

She had also refrained from any harsh criticism of the military government in her speech on Saturday.

"They're toning it down," said one Burmese man who has attended the weekly gatherings outside Daw Aung San Suu Kyi's home since the first one, shortly after she was released last July from six years under house arrest.

There was no obvious security presence at the gathering, and no arrests.

The new law, which appeared aimed at the National League for Democracy, calls for up to 20 years in prison for anyone who acts or distributes information deemed likely to undermine the stability of the state, community peace, and law and order.



Stuart Isett/The Associated Press

Supporters applauding a speech by the Burmese opposition leader, Daw Aung San Suu Kyi, in Rangoon.

BRIEFLY ASIA

India-Pakistan Talks Proposed

NEW DELHI — India's week-old government proposed reviving high-level talks with Pakistan on Sunday, saying there was a singular opportunity to pull down barriers dividing the longtime foes.

Prime Minister H. D. Deve Gowda of India told Prime Minister Benazir Bhutto of Pakistan, in a letter made public by the Indian Foreign Ministry, that he was ready to work with her government. Mr. Gowda, who assumed power on June 1, and is expected to win a vote of confidence this week, was responding to a letter last week from Miss Bhutto, who appealed for bilateral peace talks to stabilize the subcontinent.

India and Pakistan, which have fought three wars since 1947, last held substantive high-level talks in early 1994. The new center-left government in New Delhi has raised hopes of a thaw in relations.

In his letter, Mr. Gowda said, "As we approach a new millennium, I believe there is a historic opportunity for us who are at the helm of affairs in our respective countries to give a lead in this direction." *(Reuters)*

Hindus Are Killed in India

JAMMU, India — Suspected Muslim rebels burst into two homes in northern India and beheaded or shot to death a Hindu government official, his wife, father, two children and five other people, the police said Sunday.

As word of the killings spread, Hindus in nearby villages attacked Muslim homes and shops. No injuries were immediately reported, but the police said two homes had been burned.

The police said earlier that another Hindu government official was also killed by rebels, along with his family. Troops launched a huge manhunt in the area, 105 miles (170 kilometers) northeast of Jammu. *(AP)*

Sri Lanka Army Camp Attacked

COLOMBO — Separatist rebels attacked an army camp in eastern Sri Lanka on Sunday, killing at least 14 soldiers, military sources said.

A large contingent of guerrillas assaulted the Jayanthipura army camp in the eastern Batticaloa district, 215 kilometers (130 miles) east of Colombo, according to the statement. Earlier, a military officer said 17 soldiers had been killed in fighting.

Soldiers drove back the attack after reinforcements arrived from nearby camps, the statement said. Rebel casualties were not immediately known. *(AP)*

VOICES From Asia

Chakra Prasad Bastola, tourism minister of Nepal, on plans to discourage inexperienced climbers from trying to scale Mount Everest: "We should be very particular about the climbers to see that amateurs are not included in the expeditions to higher peaks. It should be taken as a sport rather than a gamble. There is a need to look into it, and we are ready to make certain changes in rules if necessary." *(Reuters)*

H. D. Deve Gowda, prime minister of India, in an appeal to Prime Minister Benazir Bhutto of Pakistan, for high-level talks: "My government stands ready to work, together with your government, to address all issues of mutual concern." *(Reuters)*

New Files Prove U.S. Cover-Up on Vietnam Agents

By Tim Weiner
New York Times Service

WASHINGTON — Newly declassified government documents prove that the United States, after sending hundreds of Vietnamese commandos into North Vietnam in the 1960s, deliberately declared them dead, lied to their wives and then buried their story under a shroud of secrecy.

Nearly 200 of those secret agents survived capture, torture and prison and are alive in the United States. They are asking the government for back pay — $2,000 a year, without interest, for their prison time — and help in getting 88 fellow commandos out of Vietnam.

The documents, stamped "secret" or "top secret," were just declassified after 14 months of news reports, diplomatic cables and legal documents supporting the commandos' claims.

They show how the United States, after training the commandos and sending them into North Vietnam on sabotage missions, literally wrote the men off, scratching their names one by one from a classified payroll. One such document lists 13 of the commandos as dead. Ten of the 13 are alive today.

Other documents greatly exaggerated reports of the deaths of a commando team that was codenamed Scorpion. Radio Hanoi announced — and the CIA recorded — that Scorpion's members were captured alive in June 1964. Nonetheless, the U.S. military declared them dead, paid their wives or families a death gratuity of about $4,000 and tried to forget about them.

"They didn't want to remember us, because we represent the failure of the United States in Vietnam," said Dang Cong Trinh, the team's deputy commander, who was among those written off as dead. Mr. Dang, 52, lives in a small, barred-window, triple-locked house in Rosemead, California.

"The man who crossed my name out probably was someone back in Washington, D.C., who gave the South Vietnam government the authority to say to my family: 'Here's your money; don't bother us anymore,' " said Mr. Dang, who survived 15 years of physical and mental torture in prison.

The financial records of the doomed covert operation to infiltrate North Vietnam — known as OPLAN 34-A, launched in 1961 by the Central Intelligence Agency and taken over in 1964 by the Joint Chiefs of Staff — were declassified at the request of a lawyer, John Mattes, who is seeking $11 million in back pay for the nearly 300 living commandos.

Commandos sent on sabotage missions were literally written off.

Justice Department, army and CIA lawyers opposing the request for back pay have called the documents irrelevant. They argued in a federal claims court last Thursday that the request could be rejected because secret contracts for covert operations were unenforceable.

Their legal basis is an 1875 Supreme Court decision, Totten v. United States, which denied the estate of a Union spy back pay for his Civil War espionage. The court said, "Both employer and agent must have understood that the lips of the other were to be forever sealed."

If a contract with the commandos is unenforceable, the breach of faith is unconscionable, said Senator John F. Kerry, Democrat of Massachusetts Democrat, a Vietnam veteran.

"We are nickel-and-diming people who put their lives on the line in our nation's interest, whose existence we denied," he said in an interview.

He said he would ask the Senate Armed Services Committee to find $11 million in the Pentagon's budget for the back pay. "Somewhere out there, there's a golf course that can be sacrificed for principle," he said.

"Those who sent these men on a one-way trip are scared to death of these documents," said Sedgwick Tourison, a former Defense Intelligence Agency analyst who worked for the committee, as did Mr. Mattes, the lawyer for the commandos. "If we had done this to Americans, these colonels would have gone to jail."

In 1961, the CIA's Saigon station, led by William E. Colby, began recruiting Vietnamese commandos, many of them Roman Catholics who fled the Communist North in the 1950s and knew the local dialects.

Those selected as airborne agents were schooled as saboteurs, trained in parachute drops and psychological warfare, and dropped into North Vietnam.

They never came back. In 1964, when colonels from the United States military's Special Operations Group in Vietnam took over the program, they found more than 200 missing agents on the payroll. Some were dead, but many had been captured alive and shackled in prisons.

In December 1965, the payroll documents show, the colonels began crossing off the names of agents who were alive — "declaring so many of them dead each month until we had written them all off," as Colonel John J. Windsor told the Joint Chiefs of Staff in a secret 1969 statement.

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EUROPE

Sinn Fein Chair Is Empty On the Eve of Ulster Talks

Agence France-Presse

LONDON — Talks to bring peace to Northern Ireland are to begin Monday in Belfast, but the attention will be centered on the empty chair Sinn Fein cannot occupy until the IRA declares a cease-fire.

There was little doubt that the Irish Republican Army's political wing would be at Stormont Castle for the opening of the negotiations — but as protesters trying to get in, not invited participants. Barring any last-minute change of tactics, the party will be left out in the cold.

Instead there were renewed calls this weekend for the IRA to declare a new truce without which, Britain and Ireland have agreed, Sinn Fein and its leader, Gerry Adams, will not be admitted to the talks.

Despite the party's unprecedented 15.4 percent score in Ulster elections on May 30 for delegates to the negotiations, it is paying the price for the IRA's bomb attack in London on Feb. 9, which broke its 17-month cease-fire.

And if it wants to take part, it will have to get past the considerable hurdle of persuading IRA hard-liners to lay down their weapons.

In a statement late Saturday in Dublin, Sinn Fein accused the British government of what it called "a lack of political will" to push ahead with a peace settlement.

"If we are locked out, it will not be because of the IRA, but because of the people who have locked us out since August 1994," it said, referring to the date that the IRA launched a cease-fire that has since collapsed.

Prime Minister John Bruton of Ireland, writing in the Belfast Telegraph newspaper on Saturday, called again on the IRA to announce a cease-fire.

"The Irish government wants no empty chairs — we want all the nationalists and all the unionists there," he wrote. "The demand of the republican movement has been peace talks now. Now is next Monday."

Whether Sinn Fein participated in the talks, Mr. Bruton said, "rests with those who have the capacity to restore unequivocally the cessation of violence."

Sinn Fein has long insisted — to general disbelief — that it is not the IRA, and says now it has a right to take part with or without a truce based on its electoral mandate.

"Unless Sinn Fein is there, there can't be a peace settlement. It is my conviction Sinn Fein is going to be part of that peace settlement," Mr. Adams said Friday in Belfast.

Yet, the IRA's return to violence has not been total, and has largely spared Northern Ireland, leading to suggestions that there is a de facto truce as IRA leaders wait to see if negotiations lead anywhere.



Jacqueline Arzt/The Associated Press

George J. Mitchell, the former senator who will lead the Ulster peace talks opening Monday, meeting the press in Belfast.

France to Be Fully in NATO

Chirac Promise Based on Europe's New Role

By Craig R. Whitney
New York Times Service

PARIS — President Jacques Chirac says France will rejoin all the military structures of NATO, from which it withdrew in 1966, if the alliance fully carries out its decision last week to give European countries a stronger leadership role.

French officials said that it would take about a year for the North Atlantic Treaty Organization to draw up detailed contingency plans for the new command procedures on which its foreign ministers agreed last Monday in Berlin, and that Mr. Chirac could then make the decision to end France's estrangement.

The foreign ministers of NATO countries approved plans to give a European defense organization, the Western European Union, the ability to use NATO command structures, heavy transport aircraft and other assets in European-led military operations in regional crises even when the United States preferred not to become involved.

"The decision, to the extent that it becomes reality, opens the way to full and complete French participation in the structures of an alliance whose principles and operating procedures will have been profoundly transformed," Mr. Chirac said in a major defense policy speech over the weekend.

American officials have welcomed the French moves closer to the alliance, even while insisting that they find it hard to imagine any NATO military operation the United States would not want to join.

Abandoning the go-it-alone policy adopted by President Charles de Gaulle 30 years ago, Mr. Chirac has committed France to developing European defense strategy within the American-led alliance rather than outside it.

France announced in December that it would take part in meetings of NATO defense ministers and military chiefs of staff in which it had not participated since 1966, on condition that the alliance transform itself to reflect changes since the cold war ended, including a diminished U.S. military presence in Europe.

Mr. Chirac has also started changes to make the French armed forces all-volunteer and reduce their numbers from 500,000 to 350,000 over the next decade, with the ability to send large units quickly to trouble spots such as Bosnia.

NATO sent a 60,000-member peacekeeping force into Bosnia late last year only after the United States agreed to lead the operation.

The allied foreign ministers agreed last Monday that NATO and the Western European Union would work hand-in-hand in their separate European missions.

"We have to put an end to what the world sees as European impotence," Mr. Chirac said in his address.

Rejoining the integrated military structures of the alliance would put French officers permanently back into its subordinate military commands and into the Military Committee, NATO's highest military authority.

BRIEFLY EUROPE

The Free Democrats Cheer a Resurgence

KARLSRUHE, Germany — The Free Democratic Party, rebounding from a near-fatal slump, emerged from an upbeat party congress on Sunday bent on sharpening its image as the driver of tax-cutting reform.

The talk was no longer of how Chancellor Helmut Kohl's liberal coalition partner could ensure its long-term survival, but rather how its message of tax cuts and leaner government had tapped a popular theme at the right time.

"The atmosphere was great," the party's chairman, Wolfgang Gerhardt, said. "A jolt of motivation has passed through the party. The theme of our times — reshaping the welfare state — favors the FDP."

The draft program backs a constitutional ban on increasing net state debt and calls for cutting taxes and simplifying the tax system. *(Reuters)*

Gdansk Shipyard Votes for Bankruptcy

WARSAW — Shareholders of the Gdansk shipyard, the birthplace of the Solidarity movement, have voted to declare the facility bankrupt.

The government controls a 61 percent share in the shipyard and warned last month that declaring bankruptcy was the only way to save the facility.

It said helping the shipyard survive in its present form would cost Polish taxpayers about $130 million. *(AFP)*

Fisheries Ministers Are Set for a Fight

BRUSSELS — Plans to cut the European Union fishing fleet by up to 40 percent over the next six years are expected to raise a storm of protest at a meeting of fisheries ministers in Luxembourg on Monday, diplomats said.

Britain, which has warned that it would veto reforms on the future shape of the European Union unless fishing policies were overhauled, is set to lead the attack along with the Netherlands and Ireland. *(Reuters)*

Calendar

EU events scheduled for Monday:

LUXEMBOURG: Foreign ministers meet to prepare for the European Council in Florence on June 21 and 22.

LUXEMBOURG: Ministerial meeting of the Intergovernmental Conference. *Agence France-Presse*

Turkish Islamist Starts Coalition Hunt

By Celestine Bohlen
New York Times Service

ANKARA — The last time Necmettin Erbakan, leader of the Islamic Welfare Party, went looking for a partner to form a government, he found no takers among Turkey's traditional secular parties.

This time, a scant five months later, the 70-year-old political veteran is pressing his case harder, warning the political establishment that any "artificial" coalition formulas intended to keep him from power are doomed to failure.

At week's end, Mr. Erbakan — whose party came in first in December's parliamentary elections — spoke of those who are already trying to cobble together a majority in the 550-seat Parliament, without the support of the Welfare Party's 158 members.

All these maneuverings, Mr. Erbakan said, "show that no government can be formed with the exclusion of the Welfare Party and that artifical arrangements cannot produce results."

"The Welfare Party's chances of forming a government are now stronger than ever," he said.

Mr. Erbakan met Saturday with top party leaders to map strategy for the politicking ahead. He told reporters that he would meet on Monday with the leaders of other parties one by one, and that he expected to form a government within the month. According to the protocol of coalition-making, he has about 10 days to find the partner or partners he needs to get a majority.

One factor that will continue to work in favor of the Welfare Party is the animosity between Prime Minister Mesut Yilmaz and his predecessor and erstwhile coalition partner, Tansu Ciller. If united, their two center-right parties make up the largest — and most logical — bloc of votes in Parliament.

But the spectacular failure of their three-month-old government, which collapsed this week when Mrs. Ciller forced Mr. Yilmaz's resignation by announcing that her True Path Party would vote against him on a censure motion, has shown once again that in Turkish politics, personalities are often more important than policies.

The Welfare Party, whose success at the polls has as much to do with its strong grass-roots organization as it does with its religious fundamentalism, is still mistrusted by the traditional parties.

They fear that the Welfare Party's eventual goal is to dismantle the secular state.

That reluctance to let the Welfare Party — and in particular Mr. Erbakan — into government was the main reason negotiations between Mr. Yilmaz and Mr. Erbakan broke down last winter, at a time when a coalition between Welfare and Mr. Yilmaz's Motherland Party seemed possible.

BOOKS

THE STATEMENT

By Brian Moore. 250 pages. $22.95. A William Abrahams Book/Dutton/Penguin.

Reviewed by Christopher Lehmann-Haupt

IN the south of France in May 1989, an assassin identified only as R stalks a 70-year-old Frenchman, Pierre Brossard. So begins Brian Moore's 18th and latest novel, "The Statement," an absorbing intellectual thriller that keeps you guessing about its outcome and implications until the final page.

When R finally moves in for the kill on a road outside of Salon-de-Provence, Brossard beats R to the draw and shoots him instead. While disposing of R's body, Brossard finds a typewritten statement that was meant to be left on his corpse had R been successful. It is headlined, "Statement Committee for Justice for the Jewish Victims of Dombey."

Its text reads: "This man is Pierre Brossard, former chief of the Second Section of the Marseilles region of the Milice, condemned to death *in absentia* by French courts, in 1944 and again in 1946, and further charged with a crime against humanity in the murder of 14 Jews at Dombey, Alpes-Maritimes, June 15, 1944. After 44 years of delays, legal prevarications, and the complicity of the Catholic Church in hiding Brossard from justice, the dead are now avenged. This case is closed."

After reading this statement, Brossard pockets it and drives on to the local monastery, his current hiding place. He gets in touch with one Commissaire Vionnet, a police chief, now retired, who 40 years earlier interrogated Brossard after his arrest for collaborating with the Nazis and then inexplicably allowed him to escape. Now Brossard tells Vionnet about R's attempt to murder him, and also about his plans for the immediate future. Before going to bed that night, he prays for God's forgiveness for killing in self-defense and determines to make his confession as soon as possible.

The point of view now switches to that of a newly hired assassin, T, who already knows his intended victim's plans. The reader is forced to suspect that Commissaire Vionnet has passed the word along. But if Vionnet allowed Brossard to escape 40 years earlier, what possible connection can he have to a Jewish organization seeking revenge? Why has he changed his outlook? The pages begin to turn faster.

As so often in his fiction, Moore takes a strangely perfunctory attitude toward the details of this story. The action occurs at a dreamlike remove, without much blood or passion. Nor is the author very interested in psychological detail. Mostly what seems to concern him about Brossard is his sense of contrition and the question of whether God will forgive him.

What the narrative mainly concentrates on is Brossard's movements from one Roman Catholic sanctuary to another. And on the subtle nuances of church politics that have led to his being protected for so many years. Time and again, Brossard encounters church officials who feel that in committing his atrocity he was only following the orders of those who were right to collaborate with the Nazis out of opposition to Soviet communism and its threat to the old religious order. But now Brossard's case has come under new judicial scrutiny. And, as one protective abbot tells Brossard, "the cardinal primate in Lyon is starting his own investigation." The abbot continues: "He's set up a commission of laymen — historians — to find out why so many of us have supported your cause over the years. So I may shortly be receiving inquiries about your visits."

Worse, as Brossard quickly points out, "The cardinal primate — Cardinal Delavigne — he's not one of us, is he?" He's not sympathetic to the reactionary cause. As Brossard later reflects: "Cardinal Delavigne is part of the postwar church, Gaullist, resistant, reformist. And no one can stop him; he's the Primat des Gaules." So Brossard's protective covering seems to be fraying. And people other than the mysterious Jewish terror group may also be after him.

Halfway through reading "The Statement," this reviewer, out of curiosity about the Milice, or the French version of the Gestapo, called up the word on Nexis, the on-line research service. This led to the discovery that Moore's story in "The Statement" bears an extremely close resemblance to the case of Paul Touvier, who in April 1994 was condemned to life imprisonment for crimes against humanity.

So once again Moore, as he has done in previous novels like "Black Robe" and "No Other Life," is taking a historical event and exploring fictionally the psychology of its participants.

One problem with this seems at first to be that by making Brossard a contrite protagonist hunted by hired assassins, Moore has lent him a modicum of sympathy. Yet if he plays out what happened to Brossard's real-life counterpart, he is in danger of making impossible demands on the reader, since, as Morgan reported, Touvier was put on trial and held up as a vivid example of the evils of French collaborationism.

But as the novel eventually reveals, sticking to the facts of the Touvier case is not at all what Moore had in mind, which may be the reason he doesn't bother to acknowledge any debt to his model. "The Statement" is above all a clever thriller, so not only can't its resolution be hinted at, but one also can't spell out what the source of its suspense turns out to be.

What certainly can be revealed is that the ending of "The Statement" is a surprising shock. And that the waves of that shock wash over all the complex moral nuances of the story and leave in their paths the sense that history as an instrument of justice is at best extremely crude.

Christopher Lehmann-Haupt is on the staff of The New York Times.

William Safire's language column will resume next week.

BRIDGE

By Alan Truscott

TEAMS headed by Michael Becker of Tenafly, N.J., and Bob Blanchard of Manhattan clashed in the finals of the Reisinger Knockout Team Championship. After 28 deals of a scheduled 56, Becker led by 12 imps.

Becker is teamed with his brother, Steve Becker of Cos Cob, Conn.; Michael Kamil of Teaneck, N.J., Richard De Martino of Riverside, Conn.; Bruce Rogoff of Ridgewood, N.J.; and Joshua Parker of Briarcliff Manor, N.Y. They narrowly survived in the quarterfinal, but won easily in the semifinal, by 45 against a group led by Richard Schwartz of East Elmhurst, N.Y.

The diagramed deal from the semifinal demonstrated that silence is often golden. Michael Becker as South reached four spades on a four-three fit, and received a diamond lead. He allowed East to win the first trick, and a second diamond removed his ace. He drew trumps, and faced the guess in clubs. East had overcalled in diamonds, produced three trumps, and had made a delayed take-out double that suggested heart length. Becker, inferring club shortness, therefore cashed the club ace and confidently finessed the ten to make his game. In the replay the bidding began similarly, but De Martino, as East, wisely remained silent at his second turn. Now the declarer had no clue to the club distribution and misguessed. The result was down one, and the Becker team gained 10 imps en route to victory.

NORTH(D)
♠ A Q 10
♡ K 9 3
◇ 8 7 2
♣ K 10 9 4

WEST
♠ 6 5 2
♡ 10 7 6 2
◇ 10 5 4
♣ Q 8 3

EAST
♠ 9 8 4
♡ A Q J 8
◇ K Q J 9 3
♣ 5

SOUTH
♠ K J 7 3
♡ 5 4
◇ A 6
♣ A J 7 6 2

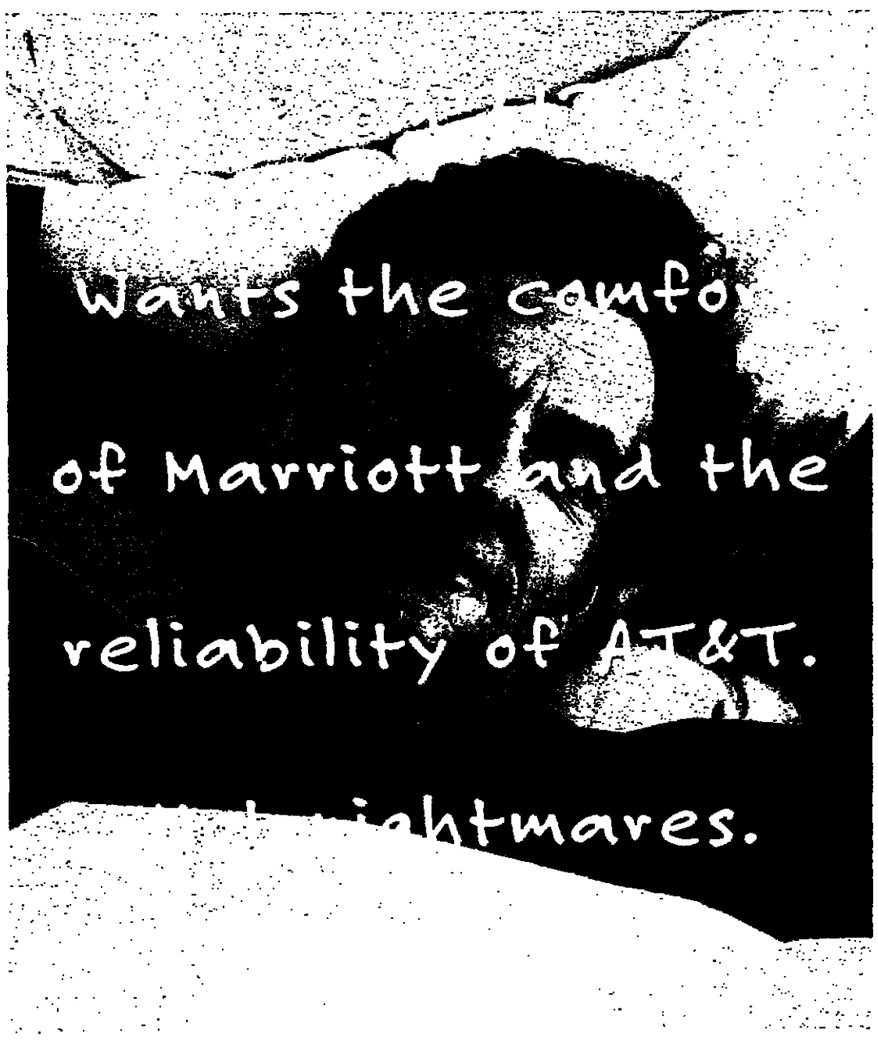
Neither side was vulnerable. The bidding

North	East	South	West
1 ♣	1 ♡	1 ♠	Pass
2 ♠	Dbl	Redbl	3 ◇
Pass	Pass	4 ♠	Pass
Pass	Pass		

West led the diamond ten

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Italy's Secessionists: So Far, They're All Bark

By Daniel Williams
Washington Post Service

MILAN — They call themselves the Green Shirts, these Italian secessionists, but the other day they acted a lot like Black Shirts, the bully boys of the Fascist dictator Benito Mussolini's day.

At a rally in Lodi, Umberto Bossi, founder of the self-declared Republic of Padania, spotted a television crew from the state-run broadcasting service. "Central government riffraff!" he called out. "Out with you."

On cue, a group of brawny men forcibly dismantled some cameras and placed their hands over the lenses of others. A private television crew was not spared, either. "They only come to see if I stick my finger in my ear or pick my nose," Mr. Bossi explained to an appreciative audience.

It was the most uproarious moment in a series of increasingly strange episodes of separatist mania. What had been brewing as a political dispute over autonomy for Italy's prosperous north has turned into a somewhat theatrical secessionist confrontation.

Mr. Bossi heads the Northern League, a political party fueled by intense dissatisfaction with central government. As a result of April's national elections, the league was shut out of influence in the new center-left government of Prime Minister Romano Prodi. So instead of taking part in the Parliament in Rome, the league has taken to plazas throughout northern Italy to demand independence.

Padania derives its name from the valley of the Po, Italy's largest river, but the proposed republic includes everything from Florence to the Alps.

If this were the Balkans, Padania would spell conflict. But this is Italy, and everyone agrees there is a bit of hokum in Mr. Bossi's campaign. Even on its home turf, the league lacks sufficient public support for a true break. Polls show that most northerners want strong local government and control over their tax money, not secession. The rallies, the flags and the insults hurled at Rome are merely to get attention.

Nonetheless, the recent declaration of the Republic of Padania created a sensation — in no small part because it reminds Italians of the looseness of their national identity and the fragility of their democracy.

Debate over Mr. Bossi and his antics disrupted the birth of the Prodi government, which had been focusing on how to cut the nation's bloated budget. After several years of political instability, even a remote separatist threat seemed like the last thing Mr. Prodi needed.

This is Italy, and nearly everyone agrees that there is a bit of hokum in Umberto Bossi's campaign.

Mr. Bossi's style is also rather embarrassing for many Italians, who have tried to cultivate a national image of elegance and propriety. *Bella figura*, they call it.

His manner is anything but bella. He rails at taxes, corruption and the entire culture of southern Italy, including Rome, which he regards as backward and rotten. If an opponent is a woman, he makes fun of her voice. If a man, he questions his masculinity. To him, all southerners are Mafiosi. He called the left-wing mayor of Venice — the future capital of Padania — a traitor for opposing secession.

At a rally in Pontida, near Milan, ministers in Mr. Bossi's "government" swore allegiance to Padania. The separatists have their own legislature and plans for a currency.

"One for all and all for one," each minister vowed, in the manner of the Three Musketeers. Sympathizers in the crowd of 60,000 wearing green shirts chanted, "Secession! Secession!"

The Prodi government seemed caught off guard. It has produced no clear plan for decentralizing Italy, a program that all but the far right and far left of the political spectrum agree is needed to combat inefficiency. Rather, government officials responded to Mr. Bossi's outbursts by asserting state authority.

Officials hinted at jailing proponents of secession. Highly decorated generals expounded on the eternal oneness of Italy. In a move toward national unity — and to isolate the Northern League — the country's ceremonial president, Oscar Luigi Scalfaro, outlined a plan to forgive Fascists, left-wing terrorists and corrupt politicians for past errors so Italy can move united into a bright future.

Mr. Prodi himself has been silent, a tactic some think is wise. Daniele Vimercati, a biographer of Mr. Bossi, said: "To threaten or dismiss the secessionists would be to play their game. The best thing Prodi can do is come up with a plan. That way he can say to Bossi, 'You do the talking, I take action.'"

Italy would seem to be a good candidate for a breakup.

It has been unified only since 1860, and the peninsula's history as a jumble of republics and kingdoms is far longer than the era of unity. Still, late-20th-century Italians have never had it so good, and the country is unlikely to crumble anytime soon.

Mr. Bossi's ethnic politics are based on a questionable interpretation of history. There is no Padania nationality; the northern regions are varied (Tuscany and Lombardy, for example, represent two distinct cultures), and a vast migration from southern Italy has blurred the ethnic mix all over.

In April's election, Mr. Bossi's Northern League won 25 percent of the regional vote. That was a strong showing, but a hollow victory: The Prodi government, backed by Communists outside its coalition, forged a parliamentary majority without the league. That is when Mr. Bossi began to amplify his secessionist talk.

Mr. Bossi strikes an economic nerve among supporters. The north, claiming that its taxes disappear into a black hole of Roman corruption, wants to keep the money at home. Northerners consider the Pharaonic public-works projects prevalent in the south to be pure pork boondoggle.

And the north, which exports high-tech, high-design products, has a stake in plans for a pan-European currency that would ease trading in the European Union. Rome's inability to qualify on time — the budget deficit and public debt are both too high for current EU standards — is a drag on exports.

"It's not just northerners who harbor anti-government feelings. After years of abuse and corruption, many Italians feel that somehow the central state is the enemy," Mr. Vimercati said.

Mr. Bossi foresees a re-jiggering of borders Europe-wide. Like-minded and economically alike regions would band together and poorer regions — Italy's south, for example — would be relegated to a sort of EU minor league.

"Bossi's style is guerrilla warfare, but the job is to try to deal with the government," said Irene Pivetti, a leading member of the Northern League and former speaker of Italy's lower house of Parliament.

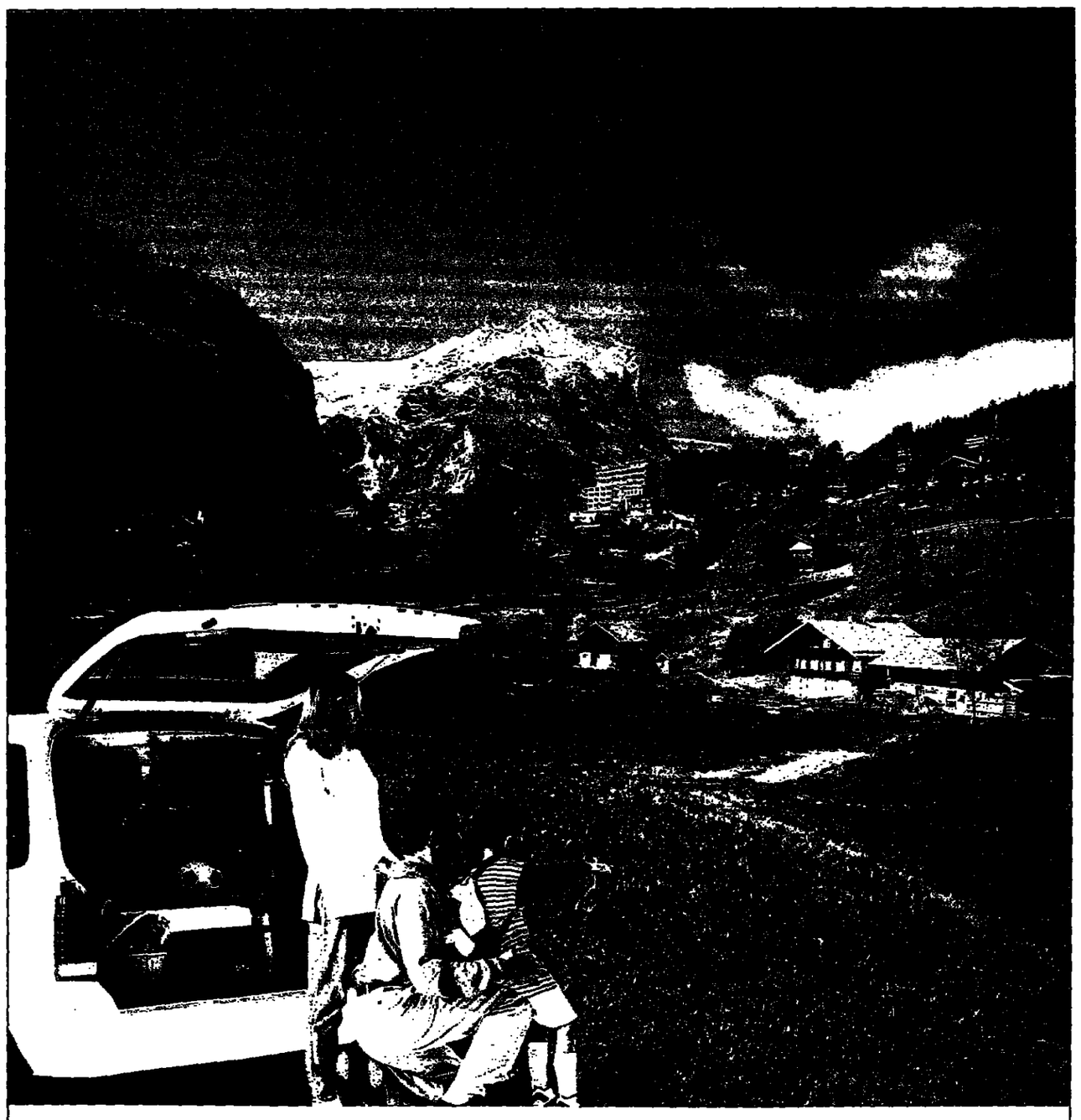
The league is boycotting the legislature, and Ms. Pivetti said it was waiting for a "political response" to its demands, but fears that Mr. Prodi is not up to it.





Claudio Onorati/Agence France-Presse

CAN I KEEP IT? — A little girl snatching Pope John Paul II's skullcap while getting kiss from the Pope during a ceremony in Rome to mark the 50th anniversary celebration of the Nazareth School, which offers education to underprivileged children.



Russia Says Officer Is a Spy

Captain Linked to a Norwegian Anti-Nuclear Group

By David Hoffman
Washington Post Service

MOSCOW — Russia is preparing to try a retired navy captain on charges that he released military secrets in a report for a Norwegian environmental group that was critical of radioactive waste disposal problems in the Northern Fleet's nuclear submarines.

A lawyer for the captain said that the case remained shrouded in secrecy to such an extent that the defense side had been unable even to see the basic document on which the charges rest.

The captain, Alexander Nikitin, 43, was arrested Feb. 6. His case has raised concern among environmental groups, who say that he has become a "political prisoner."

President Bill Clinton and President Jacques Chirac of France were reported to have raised the issue with President Boris N. Yeltsin at a meeting in April.

Mr. Nikitin was working for the Bellona Foundation, a Norwegian environmental group, when he was charged with treason.

From the beginning, the Federal Security Service of Russia has sought to keep the case under wraps, originally barring Mr. Nikitin from choosing his own attorney on the ground that the lawyer lacked proper security clearance. That was overruled by the Constitutional Court, and Mr. Nikitin selected Yuri Schmidt.

Mr. Schmidt, however, said Mr. Nikitin had continued to be denied access to key information.

He said that the case had been moved to a military court and that Mr. Nikitin was being accused of revealing military secrets based on an obsolete list maintained by the Russian Defense Ministry.

The prosecution, Mr. Schmidt said, is basing its charges against Mr. Nikitin not on the law, not on the Constitution, "but on an unpublished, obsolete, ineffective" order issued by the defense minister.

Mr. Schmidt said the old Defense Ministry list of classified topics, dated Sept. 7, 1993, included more than 700 items.

Moreover, he added, the authorities have refused to honor an order by Mr. Yeltsin, dated Nov. 30, 1995, that lists only 22 categories of information considered state secrets.

"Nikitin and I have been asking for several months to show us the order which has put him in custody, but the investigators have been saying no for several months," Mr. Schmidt said. "What is going on today is incredible. We have been told that we violated three provisions contained in the defense minister's order. Show us this order."

Mr. Nikitin is being held on espionage charges that carry a possible death penalty.

Waldheim Sees 'Mistake' In Masking Nazi Service

The Associated Press

VIENNA — In a new autobiography, former President Kurt Waldheim of Austria says it was a "mistake" to conceal his service in the Nazi army, but he remains unrepentant.

Mr. Waldheim was faced with revelations in 1986 that he had lied about his wartime service in the Balkans as an intelligence officer for the Wehrmacht. In his book, he insists he was wrongfully assailed by the press, the U.S. government and the World Jewish Congress.

In the just-published 300-page book "Die Antwort" ("The Answer"), Mr. Waldheim makes no stunning disclosures, but he provides details about his World War II service that had been omitted from previous official biographies.

Mr. Waldheim, now 77, was elected president of Austria on June 8, 1986, despite public knowledge of his wartime service. A year later, he was put on the U.S. Watch List as an undesirable alien, which bars him from visiting the United States. His term as president was a period of relative isolation for Austria. Many foreign leaders shunned the country or Vienna to avoid meeting Mr. Waldheim.

Before his election, he served as UN secretary-general from 1972 to 1982.

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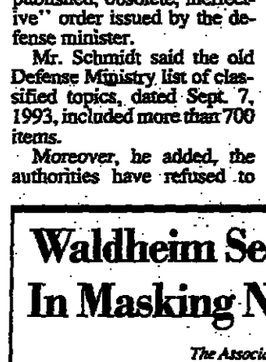
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On Mongolia's Steppe, Horrifying Forest Fires

Pristine Lands Scarred by Record Blaze

By Patrick E. Tyler
New York Times Service

HONIN NUGA, Mongolia — It was the job of a leathery wildlife ranger named Myagmarsuren to protect the conifer forest that is draped across the low mountains here like a rich green garment.

And so on May 14, after he saw the first puffs of white smoke over the ridge from his log cabin, he jumped on his pony and rode all afternoon to the nearest telegraph operator to sound the forest fire alarm.

By the time he got back, the valley was an inferno. "For 17 straight days and nights, I fought the fire with only two or three hours of sleep each day," he said, standing bare chested in the dandelion meadow that surrounds his cabin. Above and behind him was a vista of charred forests that frame this valley 140 miles north of Ulan Bator, the Mongolian capital.

At its peak, the fiery gale leaped through treetops as a storm of flame and burning ash, searing the skin of firefighters as they tried to light backfires or just beat the burning perimeter with wet clothes or tree branches while choking back smoke so thick they could not see the men next to them.

"People came on horseback to help fight the fire," said Myagmarsuren, who like many Mongols uses only one name. "Even prisoners came from the prison to help, and some people had no better tools than boughs cut from the trees to beat the flames."

After a winter of precious little snow, the scene of combustion and raging firestorms was a horror story that began in March and was repeated every day throughout the spring across northern Mongolia. The fires are being called the most extensive since records were first compiled in 1978, and the worst that civil defense officials can remember.

So far, 26 people have died and nearly 800 nomads have been injured or made shelterless by the blazes. About 7,800 head of livestock have died, and telephone links to dozens of settlements were destroyed as fires scorched more than 23 million acres (9 million hectares) of forest and range lands.

In one eastern settlement, 16 people perished at once when a wall of flame incinerated their collection of yurts, the round felt tents that are the traditional dwelling on the Mongolian steppe.

On one remote mountainside, a village chief and five of his men perished in a burning forest when treacherous spring winds shifted.

Now, the worst appears to be over. Mongolian civil defense authorities said Thursday that after three and a half months of fighting wind-driven blazes with primitive equipment and poor communications, nearly all of the fires are under control.

Civil defense officials said that up to one-fifth of Mongolia's coniferous forest had been ravaged by the fires.

"To date, we have had 380 fires," said the country's top firefighter, General G. Damdinsuren. "We haven't had fires like this for as many years as most people can remember."

And although all but two fires were classified as extinguished or under control by midweek, those that remain are burning across an 80-mile-wide front in the Lake Hovsgol region near the Russian border.

"Quite frankly, due to the very rugged terrain up there," said Donald Johnson, the U.S. ambassador to Mongolia, "I think that only Mother Nature is going to be able to put those fires out rather than man." Mr. Johnson has helped organize relief supplies for the hundreds left homeless by the destruction of their yurts.

Deanne Shulman, a fire management officer at Sequoia National Forest in California, who surveyed the stricken region the week before last, said that the millions of acres involved exceeded anything she had seen in the severe fire seasons in the United States.

Because Mongolia is a country larger than Alaska, but with only 2.3 million people, the direct damage can be measured in several million dollars.

The government in Ulan Bator, seeking to put an economic estimate on the loss of timber, said the total damage to the Mongolian economy amounted to $1.9 billion, a figure equal to two years' economic output.

A number of foreign experts questioned the government's damage estimate, but still expressed alarm about the geographical scale of scorched earth in a nomadic society where herds follow and depend on ancient grazing patterns.

"It is too early to say what precisely the impact of these fires will be," said Jan W. Swietering, the resident United Nations representative in the capital. "But in a country of 30 million head of livestock, you can't just suddenly change these nomadic patterns. It may be months before animals start dying."

In many respects, the damage seems incalculable. Rural supplies of fuel, food and financial resources have been drastically depleted by months of fire fighting, and the summer planting season has been seriously disrupted.

In Mongolia, still mired in the torpor of post-Communist economic recovery, the total arsenal of fire fighting equipment consists of 16 truck-mounted water pumps, 153 backpack water pumps, 10 chain saws, 34 shovels, 34 rakes and 23 axes.

The scale of the fires caught the government so much by surprise that some observers here believe the chaotic fire fighting management will be an issue in the country's parliamentary elections on June 30.

"Our readiness was not good," Mr. Damdinsuren conceded. "We were not prepared for this kind of calamity."

Forest and prairie fires are a yearly occurrence in Mongolia, and typically, they burn several hundred thousand acres every spring.

In 1978, 2.4 million acres of woodlands burned. But there are no records of fires as extensive as this year's. So far, they have claimed 8.6 million acres of forest and 14.3 million acres of grasslands.

Much of the grassland will regenerate this year, but only after weeks of rainfall; until then Mongolia's northern herds are in danger, experts say. The forests may take much longer.

"Environmental damage in a very pristine area is hard to convey," Mr. Johnson said. "The damage is not permanent, but it's the magnitude of the square miles affected. It is as if the whole state of Colorado was scorched; it's the geographical scale and the impact of that."



Toru Yamanaka/Agence France-Presse

JAPANESE ANTI-NUCLEAR RALLY — A policeman and a demonstrator arguing at a Tokyo protest against China's atom test.

Another China A-Test

One More to Come Before Moratorium

By Steven Mufson
Washington Post Service

BEIJING — China has conducted another nuclear weapon test and said it would carry out one more before joining an international moratorium on further tests in September.

China is the only one of the five declared nuclear powers not already observing the moratorium, and the latest in a series of Chinese tests drew a chorus of criticism from foreign governments urging China to abandon its plans for another blast.

The underground explosion Saturday came just 20 days before the deadline for completion of a comprehensive treaty that would ban all future tests, and some foreign governments said it undermined the credibility of the Chinese efforts to reach an accord at negotiations in Geneva. On Thursday, China said it would no longer insist on being able to conduct "peaceful nuclear explosions."

The White House said it "deeply regrets" China's test, news services reported. "We urge China to refrain from further nuclear tests and to join in a global moratorium," the press secretary, Mike McCurry, said in a statement issued by the White House.

Prime Minister John Howard of Australia condemned the blast as "insensitive." Mr. Howard said, "It is particularly regrettable that China continues to test when the negotiations for a comprehensive test ban treaty are at a critical juncture."

Prime Minister Ryutaro Hashimoto of Japan said he was "very disappointed" and added, "I hope there will be no more tests."

China has conducted 44 nuclear tests since 1964, and the latest one, at 10:56 A.M. at its Lop Nur test site in northwestern Xinjiang Province, created a shock that registered 5.7 on the Richter scale, Australian seismologists reported.

The bomb had an estimated yield of 20 to 80 kilotons, making it a middle-range explosion, the Australian Seismological Center and the Australian Geological Survey Organization said. The bomb that the United States dropped on Hiroshima, Japan, in 1945 was about 12.5 kilotons.

The Chinese Foreign Ministry said China had exercised the "utmost restraint" in conducting nuclear tests. "The number of tests we have conducted is extremely limited," it said in a statement released through the state-run Xinhua press agency.

The Foreign Ministry said in a statement that the test was aimed at ensuring the safety of China's nuclear arsenal.

"For the purpose of the supreme interests of the state and the nation, China cannot but conduct the necessary and the minimum number of nuclear tests," it said.

Western diplomats say they believe that China is rushing to finish tests that would help it develop missiles capable of carrying more than one nuclear warhead at a time, a capability that the United States and other nuclear powers already possess.

China insists that it has far fewer nuclear weapons and has conducted fewer tests than other countries. It is believed to have about 250 to 300 nuclear warheads. The Foreign Ministry said the weapons were "solely for the purpose of self-defense" and reiterated China's stated opposition to first use of nuclear arms.

The test and the announcement come just two days after China said it would "temporarily" drop its insistence on nuclear tests for what it called peaceful uses, leaving open the possibility of revisiting the issue in 10 years.

Chinese Dissident Freed

Reuters

BEIJING — Chinese authorities released the dissident Ren Wanding on Sunday after he completed a seven-year prison term for his role in the 1989 anti-government demonstrations.

Mr. Ren, 51, was escorted by policemen to his home on the outskirts of Beijing at 2 A.M, his wife Zhang Fengying said in a telephone interview.

Mr. Ren left of his own free will five hours later for the northeastern port city of Dalian, a seaside resort, where he was expected to stay with a relative for two weeks, she said.

Mr. Ren was sentenced to prison for accusing the government of human-rights abuses and for urging freedom for political prisoners during the student-led demonstrations, which were crushed by the army on June 4, 1989.

Mr. Ren was first detained in 1979 as he was pasting up a poster on "Democracy Wall" in the capital and subsequently spent four years in prison. After his release then, he continued to write and distribute essays on human rights.



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THE WORLD'S DAILY NEWSPAPER

Samper Insists He'll 'Not Jump Ship in a Storm'

Agence France-Presse

BOGOTA — President Ernesto Samper of Colombia on Sunday reaffirmed his intention to remain in power as the Congress prepared to vote on whether to impeach him on charges he accepted drug money for his campaign.

"I will not jump ship in the middle of a storm," Mr. Samper told graduating officials at the naval academy in Cartagena.

The lower house of Congress is expected to vote Tuesday on whether to pursue charges that Mr. Samper knowingly accepted $6 million in illegal funds from the Cali cocaine ring to bankroll his 1994 election campaign.

The Chamber of Deputies, dominated by Mr. Samper's own Liberal Party, is largely expected to clear the president of the charges after two weeks of debate.

On Sunday, the president said he would stay in power "guided by the compass of my conscience."

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Northern Ireland's Hope

Monday may be an auspicious day for Ireland. For the first time, representatives of the groups that have wrangled for 75 years over the fate of Northern Ireland are scheduled to sit down together to talk.

For making this possible, the Irish and British governments deserve high praise for political courage. If the talks proceed in an orderly and purposeful fashion, the people of the British Isles have a chance to put the violence of this ugly conflict behind them.

Prime Minister John Major of Britain made a wise decision in giving George Mitchell, a former U.S. senator, a pivotal role in the talks. In doing so he overcame a traditional British reluctance to involve outsiders in solving what Britons have considered an internal problem. He also gave the clearest signal possible to the Irish Republican Army that the process would be impartial and would not be dominated by the concerns of any one party in the conflict.

It is now up to the IRA to reinstitute the cease-fire it suspended in February. Until the group forswears violence — as all parties are required to do formally before the talks begin — its political wing, Sinn Fein, will not be allowed to participate. Sinn Fein's leader, Gerry Adams, has tried to convince the militarists in the IRA that the time is past for bombings. Sinn Fein's impressive showing in the elections that preceded the talks must be seen as a mandate for Mr. Adams's policies. There is little support on either side of the border for the IRA's tactics.

If the IRA continues to balk at a cease-fire, the talks will proceed nonetheless. Robbing Sinn Fein of a place at the table will only create more bad will among its own constituency.

Mr. Mitchell will lead the plenary sessions of the talks and head the subcommittee that deals with the delicate issue of disarming the paramilitary groups. As chairman of an international body convened last year to consider this issue, he gained respect from all sides as an impartial mediator.

His colleagues on that committee have also been given important roles. General John de Chastelain of Canada will lead talks on relations between Northern Ireland and the Irish Republic. Harri Holkeri, a former prime minister of Finland, will act as alternate chairman for all phases of the talks.

Some Unionist leaders, notably the firebrand Ian Paisley, have decried Mr. Mitchell's appointment, saying he is too sympathetic to the Republican cause. But Mr. Mitchell has shown a careful regard for the sensitivities of Unionists as well as Republicans. Mr. Paisley and his fellow Unionists, along with the leaders of the IRA, must eventually accept that the most popular cause in Northern Ireland is peace.

—THE NEW YORK TIMES.

Yeltsin on the High Wire

Politics for Boris Yeltsin always seems to be a high-wire act without a safety net. His approach to next Sunday's presidential election has been typical. For months he seemed indifferent to the quotidian business of governing Russia. He failed to organize a strong political party to support his programs and candidacy. By early this year his popularity rating was registering in the single digits.

But just when the decline seemed terminal, Mr. Yeltsin fought his way back into the race. This time he may have waited too long and set the wire too high, but he has given himself a chance of winning re-election.

Mr. Yeltsin is a daring man. That is his greatest strength as a political leader, and his greatest weakness. Mr. Yeltsin challenged the Soviet Communist leadership in the late 1980s, stood his ground against a coup attempt by Communist troglodytes in 1991, and has used his powers as president to lift Russia from centuries of tyranny. But the same audacity propelled him to launch a brutal war in Chechnya and underestimate the appeal of the Communist Party, which has an opportunity to reclaim power.

Though the Communist Party did well in parliamentary elections last December, and its presidential candidate, Gennadi Zyuganov, seems to be Mr. Yeltsin's strongest opponent, there is little sentiment in Russia for reestablishing a totalitarian state. The real debate is about the transition to capitalism. Most Russians seem to believe the shift should be slowed and managed more humanely.

None of the leading candidates possesses the ideal mix of democratic principles, political instincts and administrative skills required to produce that soft landing. But some are better than others. While promising to cushion economic reform, Mr. Zyuganov is more likely to erase it if elected. Vladimir Zhirinovsky, an extreme nationalist, offers no coherent economic program.

The only men firmly committed to moving on to the next phase of change are Mr. Yeltsin and Grigori Yavlinsky, a progressive economist. While an ardent supporter of reform, Mr. Yavlinsky lacks the diplomatic touch needed to build a consensus. That leaves Mr. Yeltsin, and some undecided voters seem to be drifting into his column by process of elimination. But Russians do wonder if he has the discipline and constancy to run an honest, effective and compassionate government. If Mr. Yeltsin had spent more time these last years dealing with problems before they escalated into crises, Russians might be more inclined to reelect him. As it is, Sunday's balloting will be another high-wire show.

—THE NEW YORK TIMES.

Gauging Netanyahu

The news in Israel is how quickly some of the polarizing rhetoric of the campaign has softened. But the harder message of Benjamin Netanyahu to Israel's Arab neighbors is not being substantially changed.

At home, Mr. Netanyahu declares he wants to be prime minister of all the Israeli people. He says he might change nuance and pace but not the core of the Labor peace process: He wants a more reliable "peace with security" that reflects real popular anxieties about terrorism and fundamentalism. His Likud party even appears ready to offer, and Labor to consider, a role in a Netanyahu-led "national unity" government.

Part of what is going on no doubt arises from Mr. Netanyahu's desire to lower the postelection temperature. As he forms a government, he has good reason to give himself a little space from Likud's hard-liners and from the religious parties, too, if that is what he wants. This may help explain his postelectoral effort to find common ground with Labor, just a few days ago his seemingly irreconcilable foe.

The tone of his first approaches to Israel's neighbors, however, is something else again. He had suggested he would not repudiate Labor's agreement to set up an autonomy regime in the West Bank and Gaza, but would go slow in putting that agreement into effect and in going beyond it. Some early tests of his policy loom. Will he, as he said he would, halt Israel's pledged military withdrawal from Arab Hebron? A pause would be a piece of mischief diminishing, not improving, the security of the city's Jewish quarter. Will he, as he also said he would, close Orient House, the shadow Palestinian political presence that Labor wisely lived with in East Jerusalem? Closure would be inflammatory. The possibility of new Palestinian unrest and a tough Israeli response is not out of the question.

With Syria things are different. Labor's talks, ardently supported by the United States, had not come near producing terms of agreement, so the field is more open. As someone who won election promising a crackdown on terrorism, it is no surprise that Mr. Netanyahu does not immediately welcome Syria, a leading supporter of terrorism, as an early negotiating partner. Not only is he cool to putting the return of Golan on the table. He prefers an "incremental" approach to a Syrian-Israeli peace, rather than Labor's comprehensive one.

The early response from Hafez Assad to the new Israeli leader's evident suspension of the old "land for peace" framework has been to suspend resumption of talks until Israel "clarifies" its policy. Not that Mr. Assad has been at all forthcoming on these questions or that he is someone to be propitiated. But Mr. Netanyahu does need to spell out his intentions for the clarification of his negotiating partners.

—THE WASHINGTON POST.

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Enlarge NATO? Look Who's Pushing a Bad Idea

By Thomas L. Friedman

WASHINGTON — Bob Dole and Bill Clinton are trying to outbid each other over who will expand NATO faster, in an effort to court votes from Americans of Eastern European origin.

In one of his last acts as a senator, Mr. Dole, accompanied by former President Lech Walesa of Poland, introduced a bill that would compel the administration to speed NATO's expansion to Poland, Hungary and the Czech Republic, which Mr. Clinton vows to do but at a more cautious pace. Now, it's always nice to see Mr. Dole and Mr. Clinton agreeing on a major foreign policy initiative — but not when they're both wrong.

And on this one they're both wrong. Expansion of the North Atlantic Treaty Organization is a bad idea.

The NATO expanders argue that after the Cold War a strategic vacuum exists in the heart of Europe, between Germany and Russia, and if NATO doesn't fill it, an inherently expansionist Russia will. The NATO expanders also argue that the best way to consolidate the new democracies in Poland, Hungary and the Czech Republic is to bring them into NATO.

Next month, Michael Mandelbaum of the Johns Hopkins School of Advanced International Studies will publish a provocative book, "The Dawn of Peace in Europe," that demolishes these arguments. Mr. Mandelbaum argues that no strategic vacuum exists in Europe for NATO to fill. To the contrary, he explains, a new, highly desirable security system has taken root there, but no one has noticed.

What is that system? First are the revolutions of 1989-91, which ended the Soviet occupation of Eastern Europe. They not only eliminated the major standing cause of war in that region, but gave birth to independent, democratic states west of Russia. These states, from Ukraine to Bulgaria, would not be easily overrun by a Russian Army that cannot take Chechnya.

Second are the arms control agreements concluded between Washington and Moscow in the early 1990s, which required both sides to restructure their nuclear and conventional forces in Europe in a way that reduced or eliminated offensive weapons, while emphasizing defensive weapons.

This combination of newly liberated states and newly restructured armed forces, says Mr. Mandelbaum, eliminates the main motive for going to war in Central Europe and sharply reduces the means, thereby accomplishing precisely what an expanded NATO is supposed to do: prevent a Russian attack.

But what if the Communists win in Russia and start making aggressive noises? Well, that would be unfortunate, but Russia is not the Soviet Union. Indeed, the collapse of the Soviet Union, Mr. Mandelbaum argues, is central to this new security structure because the Soviet Union was a unique machine for producing military power.

"It is not that the Soviet Union had a military industrial complex," argues Mr. Mandelbaum, "it was a military industrial complex."

Only a centrally planned Soviet system could devote 30 percent of gross national product to military spending, and without that system, Russia cannot field the Soviet-style military might that once dominated Europe. As for those who say NATO expansion is needed to promote democracy in Central Europe, Mr. Mandelbaum counters that democracy there is not threatened and, if it were, the European Union would be the more appropriate vehicle for saving it. Besides, if NATO is a tool for democracy promotion it should be expanded first to Russia and Ukraine, where democracy is shakier and the stakes higher.

The truth is, we already have the only security order we need in Europe. The best way to destabilize it would be to expand NATO. Such a move would undercut the democratic reformers in Moscow, strengthen the nationalists, possibly prompt Russia to back away from the arms control agreements and certainly encourage Russia to view Central Europe as a new threat. For what? For a few ethnic votes in Ohio?

So the world needs NATO, but not more NATO. What it needs more of is time — time for the arms control treaties to become even more embedded, time for the states of Central and Eastern Europe to become stronger and time for Russia to adjust itself to both and to find its way toward democracy.

The New York Times.

Rogue States: This Is No Game of Bureaucratic Make-Believe

By Stephen S. Rosenfeld

WASHINGTON — Michael Klare suggests that a desperate but imaginative Pentagon, left bereft by the demise of communism, more or less invented a substitute global enemy — "rogue states," potentially nuclear-armed — to justify a mission and a budget and continuing U.S. leadership in the post-Cold War world. The professor of "peace and world security studies" at Hampshire College lays it out in a book called "Rogue States and Nuclear Outlaws: America's Search for a New Foreign Policy."

Right off, the — undemonstrated — business about self-serving bureaucrats making up a role for reasons apart from national need and strategic purpose has to be nailed. It is the kind of exaggeration that gives leftist scholarship its bad name, proceeding as it does from the tiresome premise that the United States is less a healer than a provoker of world disorder.

Still, it is useful to be reminded that in just a few years the category of rogue state has moved to the center of U.S. thinking about national security. Previously, the Kremlin was regarded less as a rogue, which has the ring of a single unruly state, than as a systemic adversary, hostile but nonetheless accepting at least some of the international rules. The menace and pervasiveness of the Soviet challenge tended to obscure the view of lesser lone threats.

People should have been smarter, but it came as a shock to be reminded by subsequent events that there are plenty of other sources of disorder. Two broad theories have been advanced to account for it. One is chaos, the idea that, with the discipline of the Cold War gone, things began turning violent and coming apart everywhere on economic, social or ethnic lines. The other theory is the rogue menace, the notion that certain no-good states — principally Iraq, Iran, Libya and North Korea, with perhaps others to come — are exploiting global division and distraction for their own nefarious ends.

Mr. Klare is probably right in pointing out that the military and others in our society leap more quickly to deal with rogues than with conditions of chaos. But this is not only because of bureaucratic self-interest. The threats posed by outlaws are more tangible and dramatic and often are personified. You can become a hero by taking on a rogue. But it takes time to manage chaos, and the results, even if positive, are bound to be hard to sustain.

Iraq was the perfect rogue: a country that broke a universal rule, crossing a border and swallowing a neighbor, and had a leader whom foreigners could easily identify with evil. Saddam Hussein put a face on a threat that the Pentagon seized on as proof of a global disorder. It is so that Iraq's example was useful to the American military. But not even Mr. Klare denies it was a real threat.

In fact, Saddam Hussein was not only an aggressor, he possessed chemical weapons and was possibly coming into possession of nuclear arms. These so-called weapons of mass destruction are fairly regarded as the great equalizer among nations at different levels of power. To become equal is why lesser countries like Iraq seek nukes, and it is why greater countries like the United States seek to thwart them. Some rogues armed only with conventional weapons are dangerous, but nuclear proliferation makes them particularly dangerous. For Americans, the pursuit of nonproliferation is part of the isolation of rogues. The fear is not fanciful.

Besides nuclear ambition, the other familiar signature of the rogue is a predilection for terrorism as an alternative or complement to nuclear arms. Here, too, the fear is not fanciful. Terrorism is an all too real method available to law-defying regimes to challenge American global interests.

A focus on rogues, argues Mr. Klare, ties us to high military spending, feeds imprudent temptations of intervention and diverts us from the chaos agenda. But military spending lingers at the lowest level by percentage of gross national product since 1940. Interventions still must conquer the sturdy misgivings of a casualty-shy American public. The chaos agenda of environmentalism, ethnic conflict and the like — which Mr. Klare favors — would be slow going in the best of circumstances.

Mr. Klare fears that while certain states (Libya, Iran) pose "a threat of sorts," the rogue idea is being pumped up out of proportion to the "actual danger." In truth, a world with its rogue states and nuclear outlaws tamed would be a different place, and an easier one.

The Washington Post.

The Key to Saving the World's Cities Lies in the Countryside

By Robert D. Kaplan

WASHINGTON — There is a dictatorship in Nigeria, powerful fundamentalist parties in Turkey and India, and religious violence in Algeria, Egypt and the Gaza Strip. One of the main reasons for this turmoil is overcrowded and polluted cities, where electricity, sanitation, water and other services are collapsing, even as peasants continue to swarm in. Third World cities are laboratories for social and economic change, which often sparks upheaval and government repression.

This is the reality that must be confronted at Habitat II, a United Nations-sponsored conference on cities that just opened, appropriately, in Istanbul, which has more than 10 million inhabitants. Between 1950 and 1990, there was a fivefold increase in the number of urban residents in Third World countries. Almost 40 percent of their citizens now live in cities. In 2025, two out of every three inhabitants of poor countries will be urban dwellers.

In most poor countries, the greater the rate of urbanization, the greater the problems. Sub-Saharan Africa, the poorest region on the planet, leads the Third World in the growth of cities. By the end of the decade, about one-half of the African population will inhabit such cities as Kinshasa and Lagos. To control these numbers, dictators will have to become more repressive, as they already have in Nigeria.

In almost all poor countries, loyalty to the state is weakening and being replaced by loyalty to religious and ethnically based neighborhood groups. These groups often succeed at their primary task: keeping values and family structures from unraveling in a new and depersonalizing environment. But these groups also fuel resentment, leading to the rise of Islamic radicalism.

Of course, people are not always conscious of the link between their crowded environments and their politics. But the crush of humanity invites scarcity in potable water, housing and jobs. And scarcity fuels discontent.

In the two decades before the Islamic revolution in Iran, urban areas grew 5 percent faster than rural areas each year. In Algeria 15 percent of the population was urban in 1958. By the time of its Islamic uprising in 1992, more than half of all Algerians lived in cities.

In Egypt the center of the Islamic struggle to topple the secular government is the most polluted and badly urbanized part of the Nile Valley, the Assiut region. Here, farmland has been replaced by petroleum refineries, food processing plants and other factories.

Anyone who has traveled recently in India knows that traditional, rural India is receding, as factories and expanding towns crowd the landscape. To remain in an Indian village is to deny oneself opportunities elsewhere. Yet Hindu nationalists are not rural dwellers but members of an urbanized proletariat.

Fundamentalist extremism is the psychological defense of urban peasants whose values are under attack. In the 1980s I watched Afghan women — who in their villages had never worn veils — cover themselves when they were forced to live in refugee camps near Pakistani cities. Urban life had much to do with the radicalization of the Pakistan-based Afghan rebel movement.

Cultural ways of coping with urban life cannot be changed by the UN elites. The best approach for the United Nations is to encourage governments to concentrate on rural development so that more peasants do not migrate to cities.

In the past, African governments have often kept bread prices down in urban areas so that those living close to the centers of power do not revolt. But revolt is inevitable if this great urban migration remains unchecked. Governments must understand that real modernity begins in the countryside, without the development of which cities become unlivable.

The writer is the author of "The Ends of the Earth: A Journey at the Dawn of the 21st Century." He contributed this to The New York Times.

If Dole Wants Victory, Then Bolder Action Is the Only Ticket

By George F. Will

WASHINGTON — Does Bob Dole dislike the prospect of defeat more than he dislikes the prospect of doing what is necessary if he is to avoid defeat? If the answer is yes, he should steel himself to do four things, each of which will make him uncomfortable.

He must give his rhetoric a serrated edge to establish differences that President Bill Clinton is toiling to obscure. He must reacquire what the Republican Party had while winning 7 of 10 elections at the height of the Cold War: an advantage concerning national security. He must emphasize a cluster of "social issues." And he must define his campaign by boldness concerning tax cuts.

The issue of ballistic missile defense is ripe, and suited to stinging rhetoric, something like this: "For his own security, Bill Clinton has Pennsylvania Avenue barricaded, making the heart of our nation's capital resemble the bunker of a Third World ruler living in fear. Yet Mr. Clinton opposes Republican plans to enhance all Americans' security from nuclear attacks. When Mr. Clinton says meaningful missile defense is incompatible with the ABM Treaty, he makes a fetish of a 24-year-old agreement with a nation that no longer exists — an agreement that was a mistake when made. During China's missile-rattling attempt to intimidate Taiwan, a Chinese official made a thinly veiled threat against Los Angeles."

"If the official had specified Beverly Hills, Mr. Clinton might have become angry. Mr. Clinton eventually was angered — about China pirating the films and CDs of his Hollywood contributors. When Mr. Clinton says the threat of attack from rogue states is 15 years away, he is relying on the sort of convenient advice that during the postwar period was consistently much too comforting concerning how rapidly our enemies would develop weapons of mass destruction and delivery systems. The day I take office, presidential cowering will end and national security leadership will resume: Pennsylvania Avenue will be reopened and the nation will begin deployment of missile defenses."

Mr. Clinton's current rhetorical conservatism is refuted by his veto protecting "partial birth abortion." Mr. Dole should ask Mr. Clinton a question suggested by The Wall Street Journal: Is there a crime so heinous that would cause you to countenance sentencing the criminal to be killed by having his brains sucked out?

The way to win the White House is to carry California. There Mr. Dole should stress curbing illegal immigration, English as an official language, opposition to same-sex marriages and support for the California Civil Rights Initiative. Mr. Clinton's riposte will be that people taking Mr. Dole's positions are "dividing America." You know. Judges assault the sensibilities of millions regarding forced busing, capital punishment, abortion on demand, pornography, school prayer. The offended people fight back. They are guilty of "dividing America." Mr. Clinton's riposte may cause Mr. Dole to flinch from the role of polarizer. If so, we will know how much he desires victory.

The core of Mr. Dole's campaign — the proposition that government is too much with us — should be dramatized by an assertion that government taxes excessively and irrationally. Tax reduction and reform should be supported for two reasons.

The prudential reason is the shadow cast by the government's unfunded liabilities, dramatized by a report on the onrushing insolvency of Medicare. The crisis of the welfare state requires a bold dash for higher economic growth. Welfare states are becoming incompatible with what they require: private sectors vigorous enough to generate sufficient revenues. Which party, Mr. Dole should ask, has the sobriety to solve this systemic problem?

Since the convictions of their S&L looting friends, the Clintons are silenced on the subject of Republican "greed." So this is a propitious moment for Mr. Dole to connect tax-cutting with wealth-creation as a moral activity, saying something like: "Wealth is the product of industry, ambition, character and untiring effort. In all experience, the accumulation of wealth means the multiplication of schools, the increase of knowledge, the dissemination of intelligence, the encouragement of science, the broadening of outlook, the expansion of liberty, the widening of culture." Well said, 70 years ago, by another Republican whom the chattering classes considered rhetorically incompetent. Actually, Calvin Coolidge had a way with words.

Washington Post Writers Group.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Battle in Crete

ATHENS — To-day's [June 8] steamer from Crete brings scores of refugees and tidings of a bloody fight which took place a few days ago between an armed Cretan force and the Turkish troops, who were devastating the provinces of Canea and Kissamo. The encounter occurred at Amygdalo Pass where the Turks had 150 killed and were forced to retreat. Signal fires on the Cretan mountains are visible, and a distant cannonade can be heard.

1921: Balkan Entente

SOFIA — For the first time since the termination of the war, Yugo-Slavia and Bulgaria have come to a friendly agreement, after a conference between M. Pashich, the Yugo-Slav premier, and M. Dimitroff, the Bulgarian Minister of the Interior. Upon his return here, M. Dimitroff announced that the result of the conference might be construed as a friendly entente and rapprochement. One of the most important matters discussed was the question of Macedonian banditry. M. Dimitroff said the two nations will co-operate to subdue those bands.

1946: A Records Boom

NEW YORK — A post-war boom is under way in phonograph records in the United States. Production and sales are running twice what they were in 1942, and manufacturers are looking ahead to 1947 and '48 to double this year's expected output of 300 million disks. More money to spend, increased interest in music, the juke-box influence are advanced as reasons for skyrocketing sales: 20 and 25 percent of the records issued are classical and the rest are popular, retailing from 49 cents to $1.05.

SECOND-HAND TOBACCO SMOKE IN PERSPECTIVE

Is everything bad for us? Or are we getting things out of proportion?

Almost every day, it seems that one thing or another has been discovered to be some kind of health risk.

In one scientific study, even the ordinary biscuit was linked to heart disease.

But as common sense suggests (and scientists confirm) not everything described statistically as a risk is a meaningful risk.

For example, lots of people have been persuaded that second-hand tobacco smoke is harmful.

Not surprising, perhaps.

After all, we recognise that smoking itself is a risk factor for certain human diseases and that some people find second-hand tobacco smoke unappealing and unpleasant.

But what about second-hand tobacco smoke? Is it really a meaningful health risk to people who've chosen not to smoke?

Not, we think, if you look at the evidence.

The United States Environmental Protection Agency recently conducted a major review of studies on the risks of second-hand tobacco smoke to non-smokers. These studies typically involve non-smokers living with smokers over a long period, such as 20 years.



And this review put the risk of lung cancer from second-hand tobacco smoke at a level well below the risk reported by other studies for many everyday items and activities.

And below, in fact, the risk to health that one other study reported for eating one biscuit a day.

As the table below shows, many everyday activities have been statistically associated at one time or another with apparent risks to health.

But reputable scientists say that weak associations aren't necessarily meaningful.

So there's no big campaign to persuade you to give up your daily biscuit.

Nor is there any sound justification for a campaign against second-hand tobacco smoke.

If you'd like to decide for yourself, please write to us at Philip Morris Europe S.A., c/o P.O. Box 107, 1000 AC Amsterdam, The Netherlands or fax us on 00 31 20 671 98 89.

We'll send you the evidence about second-hand smoke.

We believe you'll find the case convincing.

Associated with additional risk

Weak association with risk

Associated with reduced risk

Everyday Activities	Reported Relative Risk*	Reported Health Effect	Scientific Study Reference
Diet highest in saturated fat	6.14	Lung cancer	*Journal of the National Cancer Institute*, Vol. 85, p.1906 (1993)
Non-vegetarian v vegetarian diet	3.08	Heart disease	*American Journal of Clinical Nutrition*, Vol. 31, p. S191 (1978)
Frequently cooking with rapeseed oil	2.80	Lung cancer	*International Journal of Cancer*, Vol. 40, p. 604 (1987)
Drinking 1-2 glasses of whole milk per day	1.62	Lung cancer	*International Journal of Cancer*, Vol. 43, p. 608 (1989)
Eating one biscuit a day	1.49	Heart disease	*Lancet*, Vol. 341, p. 581 (1993)
Drinking chlorinated water	1.38	Rectal cancer	*American Journal of Public Health*, Vol. 82, p. 955 (1992)
Eating pepper frequently	1.30	Mortality	*American Journal of Epidemiology*, Vol. 119, p. 775 (1984)
Exposure to second-hand tobacco smoke	1.19	Lung cancer	*U.S. Environmental Protection Agency* (1992)
High vegetable diet	0.37	Lung cancer	*International Journal of Epidemiology*, Vol. 25, Suppl. 1, p. 32 (1996)
High fruit diet	0.31	Lung cancer	*American Journal of Epidemiology*, Vol. 133, p. 683 (1991)

*Relative risk measures how much consuming, or being exposed to something, raises or lowers risk.

Philip Morris Europe S.A.

Second-hand tobacco smoke. Let's keep a sense of perspective.

Clinton's Food Aid Gamble

Help for North Korea Is a Bid for Stability

By R. Jeffrey Smith
Washington Post Service

NEWS ANALYSIS

WASHINGTON — By deciding to provide more food aid to North Korea, the Clinton administration is gambling that it can sell the American public on the merits of making a humanitarian gesture to malnourished people even though they live under one of the world's least friendly regimes.

The decision is striking because recent visitors to North Korea, a notably isolated, repressive and economically backward country, report widespread food shortages but no starvation or related disease. They also report no sign of imminent domestic upheaval or preparations for military action that could threaten nearby U.S. forces or allies.

As a result, officials say the administration's decision, which President Bill Clinton formalized last week by signing a detailed plan, arose not so much out of a terrible crisis as an expectation that matters could only get worse, with possible consequences that cannot be clearly forecast.

At worst, U.S. officials say, North Korea's Communist leaders might use their ample arsenal of guns and missiles to distract the population in the midst of famine by provoking a war with neighboring South Korea. Or perhaps a hungry military unit or two, or a few thousand starving citizens, might try to defect to the south, provoking a tense argument between these countries about what to do with the refugees.

These scenarios remain, for now, just hypotheses about how the food shortage might spin out of control. That makes the administration's plan either an unnecessary and excessively generous gesture to what America views as a "rogue" nation, or an unusually far-sighted, nontraditional U.S. effort to forestall a crisis before it actually erupts in a distant but highly important region.

To Senator Bob Dole, the presumptive Republican presidential nominee, it falls clearly into the former category. He denounced the plan as an unwarranted subsidy for "a country that devotes its own resources to the appetite of an insatiable military," including a burgeoning ballistic missile program, not to mention the millions it spends on its extensive internal propaganda machine.

Seeking to make a broader point about what he claims is foreign policy ineptness at the White House, Mr. Dole said the decision reflected inconsistency and "misallocation of resources" because the administration had decided against such aid as recently as last month. He also said it amounted to rewarding an enemy of the United States "with no reciprocal action on the part of Asia's most dangerous regime."

But the White House, anticipating Mr. Dole's critical remarks, has devised some protective political cover for itself. Unlike Washington's unilateral decision to give North Korea $2 million in food assistance last February, when Japan and South Korea were publicly advising that such assistance was not warranted, this decision is to be announced in conjunction with similar pledges of additional aid by both of these allies.

Washington had to do some persuading to get South Korea to sign up, because the last time South Korea provided food aid it got in return the back of North Korea's hand. But Seoul, like Washington, wants to ensure that North Korea forges closer ties with the outside world so that, as the nation's economy implodes, the country will come in for what specialists refer to as a "soft landing."

An economic slowdown in a climate of suspicion and hostility might lead to war, they fear, particularly in the next four months — before this year's food harvest. As one White House official said, "The Cold War is over."

He added, "The provision of controlled humanitarian food aid through the UN World Food Program allows three allies in the region to work cooperatively toward a common goal that promotes the peace and stability we seek."

American officials say they will try to ensure that the United Nations distributes the food to the most needy citizens. They hope North Korea will respond in kind with gestures of its own regarding the recovery of remains of U.S. forces missing in action from the Korean War, and move toward accepting new talks aimed at forging a permanent peace treaty.

But to skeptics like Senator John McCain, Republican of Arizona, a Dole ally, the U.S. aid is unlikely to bring much goodwill.

"I suspect this latest largesse will contribute to little more than the care and feeding of North Korea's 1.2 million-man army," Mr. McCain said, "which must be reassuring to North Korean commanders as they contemplate new provocations along the DMZ demilitarized zone at the border with South Korea."

Mr. McCain's argument stems partly from a conviction, which many South Korean officials share, that North Korea's military still gets first pick on the country's dwindling assets. According to this view, further foreign food aid just postpones the day when troops will be forced to tighten their own belts.

■ Crop-Damage Compensation

South Korean newspapers reported Sunday that North Korea received $130 million in insurance compensation for crop damage in 1994 but has not used it to import grain to ease hunger, Reuters reported from Seoul.

The Chosun Ilbo and other newspapers quoted unidentified government officials as saying that North Korea received the money this year from eight insurance companies based in Europe and Australia, including a unit of Lloyd's of London.



POLITICAL NOTES — Woman in Dhaka singing campaign songs as Bangladesh prepares for general elections on Wednesday.

U.S. Pilots Training With Eye on North Koreans

By Kevin Sullivan
Washington Post Service

KADENA AIR BASE, Okinawa — Two fighter jets, posing as North Korean MiG-29s, streaked in fast and low over the sea 100 kilometers west of Okinawa.

In the cockpit of a U.S. Air Force F-15 screaming toward the "intruders" at Mach 1, the pilot simulated the firing of three missiles, each equipped with its own radar.

Piloting a second F-15, Lieutenant General Richard B. Myers banked hard to the south, a force four times greater than gravity driving him deep into his seat. He locked his weapons radar onto the "remaining" MiG and fired. The opposing pilot dropped six bright orange flares to confuse the missiles closing in faster than the speed of sound, but a second later he was, in the fighter pilots' vernacular, toast, as the first had been.

Drills like this one happen every day on Okinawa, the home of three squadrons of U.S. F-15s that can reach North Korea in 90 minutes. The United States spends billions of dollars to keep its most advanced equipment and 100,000 of its soldiers in Asia despite constant criticism at home to leave Asian security to Asians.

Many soldiers here say the American public does not understand their mission in Japan, but a day's ride in the sky with General Myers, commander of all U.S. military forces in Japan, and the pilots of the 44th Fighter Squadron make it clear: These days, at least, the American military focus in the region is preparing for hostilities from North Korea.

General John Shalikashvili, chairman of the Joint Chiefs of Staff, said last month that North Korea's huge conventional military is the region's biggest security threat. "So I think it is very useful for South Korean forces and our forces to remain watchful and maintain a high state of preparedness," he said.

General Myers, 54, who is leaving Japan this month to become General Shalikashvili's assistant, flies training missions in F-15s six times a month at Okinawa. He said that U.S. troop training in Japan was meant to prepare for any regional conflict, but that North Korea was at the top of the immediate agenda.

"It's not helpful for the situation on the Korean Peninsula to have us seen as warmongering — that's not our business," General Myers said. "But our business is to be ready, and so to be ready, quite often the scenarios used by our F-15s will be threats that replicate what the North Koreans have and the tactics we've seen them execute."

American military planners worry that North Korea, crippled by a moribund economy and severe food and fuel shortages, could see an invasion of South Korea as its best option. There have been several unexplained, provocative military actions by North Korea in recent weeks, but, so far, they have been seen as largely political posturing.

American and South Korean officials are confident that an invasion by North Korea's 1.2 million troops would be defeated, but only after large loss of life on all sides.

If there were a war, the F-15s from Kadena Air Base would be among the first U.S. aircraft to fight for control of the skies over Korea. They would be teamed with about 100 South Korea-based F-16s, which are mainly designed to bomb targets on the ground, and U.S. Navy F-14s launched from aircraft carriers in the region.

American officials estimate that about two-thirds of North Korea's 730 combat aircraft are from the 1950s and 1960s and that spare parts for those outdated planes are hard to come by since the Soviet collapse.

Military intelligence experts believe that the North Korean military is still formidable, mainly because of its sheer size, its stockpile of chemical weapons and its large arsenal of missiles. But increasingly, they believe that the North's large military force has been severely weakened by food and fuel shortages and a lack of training and equipment.

"Our overall assessment is that the North Korean air force, while old and obsolete, is still a threat, but that in short order, we would have air superiority in any conflict," said Jim Coles, spokesman for the U.S. military in South Korea.

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INTERNATIONAL

Arab Talks Take Israel By Surprise

Netanyahu Is Silent On Call for Summit

By Serge Schmemann
New York Times Service

JERUSALEM— The office of Benjamin Netanyahu, the Israeli prime minister-elect, declined to react on Sunday to the call for an Arab summit meeting, saying it would issue a statement once the new government was formed.

At the same time, the swiftness with which Egypt succeeded in gaining agreement from most of the Arab world to gather for the first such meeting in six years, and the toughness of the warning to Israel not to deviate from existing peace policies, clearly startled the incoming administration.

Mr. Netanyahu met with aides Saturday night, and the probable new defense minister, David Levy, said, "I hope we will be able to both reassure and to make manifest our desire to further the peace."

Ehud Olmert, the mayor of Jerusalem and another contender for a senior cabinet post, struck a tougher line, telling Israeli Army radio of the Arabs, "They understand there will be a government here that will be more stubborn on various matters, that will be strict about sticking to an agreement on the basis of mutuality, that there won't be a situation any longer of unlimited leniency for every violation of an agreement."

In another interview on television, Mr. Olmert described the summit as "part of a natural and expected reappraisal that one shouldn't get excited about."

[In what would be the most serious attack in Israel since the election, Israel Radio said Sunday night that two people were found shot to death in a car in a rural area of central Israel in a possible guerrilla attack, Reuters reported. "Between Zacharia village and Gefen, a car was found containing two bodies," the radio said. "Apparently, we are speaking of a terrorist attack."

Mr. Netanyahu's decision not to issue a formal response reflected both his preoccupation with forming a government and a tactic to wait and see how the Arab front takes shape without getting involved in a war of words.

A major question was how Mr. Netanyahu would act on taking power. He hopes to introduce his new government next week, and given the growing tension over his aproach to the Palestinians and the Arabs, he will be under pressure to announce his policy soon after.

Both the Arabs and the Americans have been concerned that Mr. Netanyahu's tough campaign pledges not to make any concessions on a Palestinian state or on the Golan Heights, coupled with promises to let Jewish settlements expand in the West Bank, could undermine the process launched by the outgoing Labor government.

The most immediate threat is to negotiations with Palestinians and Syria. But if these collapsed, Egypt, Jordan and other Arab states that have established relations with Israel would be forced to take a tougher stance.

The summons to an Arab summit followed three consecutive meetings held since the Israeli election involving, in various combinations, President Hosni Mubarak of Egypt, King Hussein of Jordan, Yasser Arafat of the Palestine Authority, President Hafez Assad of Syria and Crown Prince Abdullah of Saudi Arabia.

After meeting in Damascus on Friday and Saturday, Mr. Assad, Mr. Mubarak and Prince Abdullah issued a statement saying, "Any retraction by Israel on the basis of the peace process or going back on its commitments and pledges that have been reached represents a real threat of returning the region to the cycle of tension and violence."

■ Mubarak Speaks With Leaders

Mr. Mubarak spoke overnight with the heads of 11 Arab states to invite them to the gathering in Cairo from June 21 to 23, the MENA news agency said, according to Agence France-Presse. The Egyptian president said all Arab countries except Iraq would be invited to attend, saying there were "continuing sensitivities" over Iraq's invasion of Kuwait in 1990.



King Bhumibol Adulyadej and Queen Sirikit presiding over the celebration of his half-century on the throne.

KING: *Thailand's Revered Monarch Is Also a Hard-Working One*

Continued from Page 1

that brought to an end nearly seven centuries of absolute monarchy.

Though he now personifies Thai royalty, he was an accidental monarch, born in the United States, studying in Switzerland and coming home to assume the throne only when both his father and his older brother died unexpectedly.

"He has earned the love, admiration and trust of his people in a manner that cannot be fully comprehended by foreigners," said Anand Panyarachun, a former prime minister, in a widely reprinted recent speech. "Without His Majesty's guiding hand we would not be where we are today."

Thus, even as Thais celebrate the man who exemplifies what is best in them, they worry about the future.

Can the reverence the king commands and the power he quietly exerts — to avert a coup, halt bloodshed, spur government officials into action — be passed on to the next generation?

Though the king has been grooming his son, Crown Prince Maha Vajiralongkorn, 43, as his successor, the prince has yet to earn the respect enjoyed by his father.

Though King Bhumibol appears vigorous and maintains the public schedule of a man with a mission, he was hospitalized twice last year for treatment of a constricted coronary artery.

"As the king has advanced in years," wrote the British scholar Michael Leifer recently, "the issue of royal succession has become a matter of deep political concern."

The subject is never openly discussed. Through strictly enforced laws prohibiting lèse majesté, Thailand has avoided the spectacles that have threatened the future of the monarchy in Britain.

Reverence for the monarchy is nurtured here through public rituals like Sunday's celebration in which the king, caped in gold, bemedaled and regal, surrounded by courtiers who approached him only on bended knee, lit incense to honor his ancestors.

"I wish to thank you for the amity and goodwill which you have all extended to me by your support in various endeavors over the past 50 years," he said, addressing the nation in words that emphasized the mutual nature of his rule.

Though the modern Thai monarchy does not claim divine descent, and its formal constitutional powers are minimal, King Bhumibol enjoys a near-religious devotion that may be unparalleled among royalty elsewhere.

His portrait is displayed in most homes and offices, from major banks to noodle shops. He is constantly on view, in photographs and on television, in the role he created for himself, traveling to every corner of the country to inspect some of the 2,000 rural development projects he has personally created.

Twice he has dramatically intervened to halt the kind of bloodshed that has destabilized other Asian nations.

In 1973, when student demonstrations led to killings, he appeared on television to end the violence and arranged for three key military leaders to leave the country. He then appointed one of his privy councillors to step in as prime minister.

In May 1992, when soldiers opened fire and killed dozens of demonstrators in the streets, the king summoned the prime minister and the leader of the democracy movement to the palace.

"Should the confrontation be prolonged, the country could be wrecked," he told them on live television, as they prostrated themselves at his feet.

The violence ended, and the prime minister, an unelected former army general, resigned immediately in disgrace.

Swiss Resists Pressure By U.S. for Bosnia Vote

Diplomat Maintains His Independence

By Chris Hedges
New York Times Service

BERN — The Swiss diplomat in charge of determining whether conditions exist for fair elections in Bosnia is resisting intense pressure from the Clinton administration to announce that the vote should go ahead as scheduled in September, according to Swiss and American diplomats.

The decision by the Swiss foreign minister, Flavio Cotti, to maintain independence from the Clinton administration on one of its touchiest foreign policy goals has provoked intense diplomatic activity and some sharp exchanges, the diplomats said. Mr. Cotti is serving as chairman of the Organization for Security and Cooperation in Europe, charged under the Dayton peace accord with overseeing elections in Bosnia if it determines that they can be free and fair.

At the meeting in Geneva a week ago between the presidents of Croatia, Serbia and Bosnia and Secretary of State Warren M. Christopher, U.S. officials tried to force Mr. Cotti to announce that elections would proceed, the diplomats said. But the Swiss official ignored the American demands, "crossing his arms and glaring silently at the Americans," according to a diplomat who was in the room.

The State Department then tried to extract a promise from him to give the green light in Florence on June 14 at a meeting of foreign ministers from the region. But he has refused to commit himself.

"If even minimal conditions are not met, then I believe it will be better to delay elections," Mr. Cotti said in an interview. "If these elections degenerate into a farce and a drama, then it will be a negative exercise for all of the parties involved."

Under the American-brokered Dayton accord, national elections are to be held by Sept. 14 as part of the process of restitching together the regions of Bosnia now dominated by Muslims, Serbs and Croats.

But diplomats had assumed that the Serbian separatist leaders who have been indicted for war crimes, the political leader Radovan Karadzic and the army leader General Ratko Mladic, would have been forced from power by now, that refugees could return to their homes and that all sides would cooperate with international supervisors, none of which has occurred.

The U.S. administration, facing its own election in November, is anxious to avoid delays that would suggest that the Dayton plan is a failure, or that American troops might need to stay in Bosnia past the end of the year.

Mr. Cotti refused to indicate whether minimal conditions to hold elections were now in place, saying he did not want to "make public my personal opinion."

But he added that while he would take into consideration the opinions of the nations involved in the peace process, their positions "will not be decisive for us."

"We have to act from our own conscience," he said. "My impression now is that we need to make further progress."

By the end of June or the beginning of July, he said, he will ask Robert H. Frowick, the American diplomat who heads the monitoring group's mission in Bosnia, to make a recommendation on elections.

■ Croatia Holds Suspect

The Croatian Ministry of Justice said on Sunday that police had arrested Zlatko Aleksovski, one of nine Bosnian Croats indicted by the UN war crimes tribunal, Reuters reported from Zagreb.

It was the first time that Croatia had arrested a suspect named by The Hague tribunal, which charged Mr. Aleksovski as one of six suspects accused of killing Muslims in the central Lasva valley during the Muslim-Croat war in 1993.

ISRAEL: *What's Next in the Mideast? Just Read Bibi's Lips*

Continued from Page 1

after another, but in effect agreeing to nothing.

What this means in Mr. Netanyahu's case is that he will not stop negotiating as long as others are willing to talk, but that there is little likelihood now of a peace agreement with Syria or the Palestinians. On the Syrian track, the suspension of negotiations arouses little concern in Israel, where the general feeling is that Mr. Assad had his chance to get his Golan back and missed it.

Chances are the Syrian president will not close the door to limited contacts, like joining the committee that is supposed to monitor the latest arrangements in south Lebanon, if only to keep the Americans from turning their backs on him.

The larger question is how Mr. Netanyahu will deal with the Palestinians, given that he has essentially closed off discussion on all the major issues in dispute. (Among other things, the draft program declares that "Israel will guard the water sources essential to it in the West Bank," and "the eastern border of the state of Israel will be the Jordan River.")

Most likely, Mr. Netanyahu will open with some conciliatory gestures — a partial withdrawal from Hebron, loosened restrictions on the Gaza Strip and West Bank and a lifting of the threat to close down Orient House, the unofficial Palestine Liberation Organization headquarters in Jerusalem.

He will also repeat his intention, confirmed in the draft program, to negotiate with the Palestinian Authority on a permanent peace agreement. The problem is that in detailing the negotiations, the draft program talks only of ensuring that the Palestinians "prevent terror, extradite terrorists and cease incitement against Israel."

None of the other issues raised in the existing agreements — Jerusalem, refugees, water, settlements, land — are mentioned. For that matter, the existing agreements are not mentioned.

(Talks on a comprehensive peace with the Palestinians are supposed to conclude by 2000 under the Israeli-Palestinian accords, but no one realistically expects that deadline to be met.)

The fact is that the status quo is essentially what the last Likud government envisioned as the optimal and permanent settlement: the Palestinians have control of their cities.

The rest of the West Bank is divided into areas controlled exclusively by Israel and areas jointly patrolled by Israel and the Palestinians.

Mr. Netanyahu has made clear he has no problem with things as they are, but he has never indicated any intention to go beyond them.

FRANCE: *Unsettling Figures on Deficits*

Continued from Page 1

staying on schedule for the single currency. It attributed the disappointing shortfall in the welfare accounts largely to an economic slump in France, made worse by the wave of strikes last December.

Mr. Juppé's program has had a substantial positive impact, nevertheless, reversing the trend toward bigger deficits and preventing the welfare debt from ballooning this year to 80 billion francs. But his promise to get the account into the black next year was apparently based on an economic recovery that did not materialize in France or its main European trading partners.

Mr. Juppé had said that the welfare deficit would be cut this year from nearly 70 billion francs to 16.6 billion. That is part of his government's package of spending cuts and tax increases aimed at reducing the total deficit from roughly 320 billion francs to about 200 billion francs in two years to meet the Maastricht criteria.

The government's plan for balancing the welfare accounts was derailed largely by a 25 billion franc shortfall in payroll tax revenue, the report said. As a result, the social security deficit last year was slightly larger than expected, 67.3 billion francs, and will fall only just below 50 billion francs.

Part of the problem for the Juppé government is that it faces parliamentary elections in 1998. That is why it is anxious to offer voters some relief from the higher taxes it has had to impose as part of its policy of keeping France aligned with Germany in founding a single European currency.

The author of the parliamentary report on welfare spending, Jean Marmot, said the findings underscored "the seriousness of the choices facing Parliament next fall," when it is scheduled to vote on Mr. Juppé's reforms of the health care system.

BRITAIN: *A Showcase of Misjudgment*

Continued from Page 1

of meat and calves. The Italian government, although eager to prevent the stalemate from overshadowing an EU summit meeting in Florence on June 21 and 22, held out little hope of an early solution.

"There has not been a shift, not even by a centimeter," an Italian diplomat said.

Mr. Rifkind laid bare the differences in perception that lie at the heart of the dispute when he and Agriculture Minister Douglas Hogg unveiled a 121-page plan last week to eradicate bovine spongiform encephalopathy from British herds.

They contended that the plan, which included a selective slaughter of 80,000 high-risk cattle and a ban on the animal-protein feed that is believed to cause mad cow, contained everything that could be done to eliminate the disease.

But at a meeting in Dijon, France, between Chancellor Helmut Kohl of Germany and President Jacques Chirac — whose governments have slaughtered entire herds after the discovery of a single case of mad cow disease — made it clear that they believed more action was needed to safeguard public health.

Beef consumption in both countries has fallen by about one-third since Britain announced in March that there could be a link between bovine spongiform encephalopathy and a fatal human brain condition called Creutzfeldt-Jakob disease.

Jacques Santer, president of the European Commission, delivered the same message to Mr. Rifkind. He also warned that, politically, no deal was possible until Britain stopped blocking EU initiatives.

Britain finds itself in the opposite situation as France 30 years ago, when it blocked business for six months over differences over farm and budget policies.

While de Gaulle wanted to prevent European action, "the British want to force the other EU members to act," a French diplomat said.

Even the commission's decision last week to allow Britain to resume exports of bull semen and some beef by-products seemed to point out the difficulties of resolving the broader issue.

Six of the 15 EU states opposed even that modest easing, led by Germany, which said it was ready to violate EU law to keep the ban on the products in place.

CHINA: *Business is Business*

Continued from Page 1

tion debate, reminding Congress that denying trade benefits to China would cost hundreds of thousands of jobs in the United States. Now it is championing China's effort to become a member of the World Trade Organization.

Microsoft does not go to bat for China on Capitol Hill. It does not need to. In a country of power relationships, it controls access to the personal computer software technology China most needs.

Chinese leaders know that, at least for now, there is no alternative source, no Airbus of the software world that China can use to whip Microsoft in line. As a result, Microsoft can afford to take a hard line on software piracy. Its revenues in China are still tiny — roughly $20 million last year for a company with total sales of nearly $6 billion.

Where companies stand on how the government should deal with China is usually a direct function of how much they have at risk. On sanctions, those urging the most conciliatory approach have the most to lose if China lashes out because of American pressure.

"Sanctions get you no place," a Microsoft executive who frequently works on the company's China strategy said.

Geneva Voters Reject Lake Bridge

Agence France-Presse

GENEVA — The voters of Geneva, taking part in a referendum, rejected a proposal on Sunday to build a bridge across the city's lake that would have helped ease serious traffic snarls between the two major parts of the city.

About 65 percent voted against the bridge in the referendum, which also gave a thumb's down to an alternative idea for a tunnel.

The bridge or tunnel would have cost 800 million Swiss francs ($660 million), financed in part by higher vehicle taxes and perhaps a toll.

In another referendum, Swiss voters rejected by 62 percent a proposal to enlarge their government by adding 10 secretaries of state to assist the current seven ministers.

Opponents argued that the idea would have resulted in more bureaucracy at an estimated cost to taxpayers of 10 million Swiss francs a year.

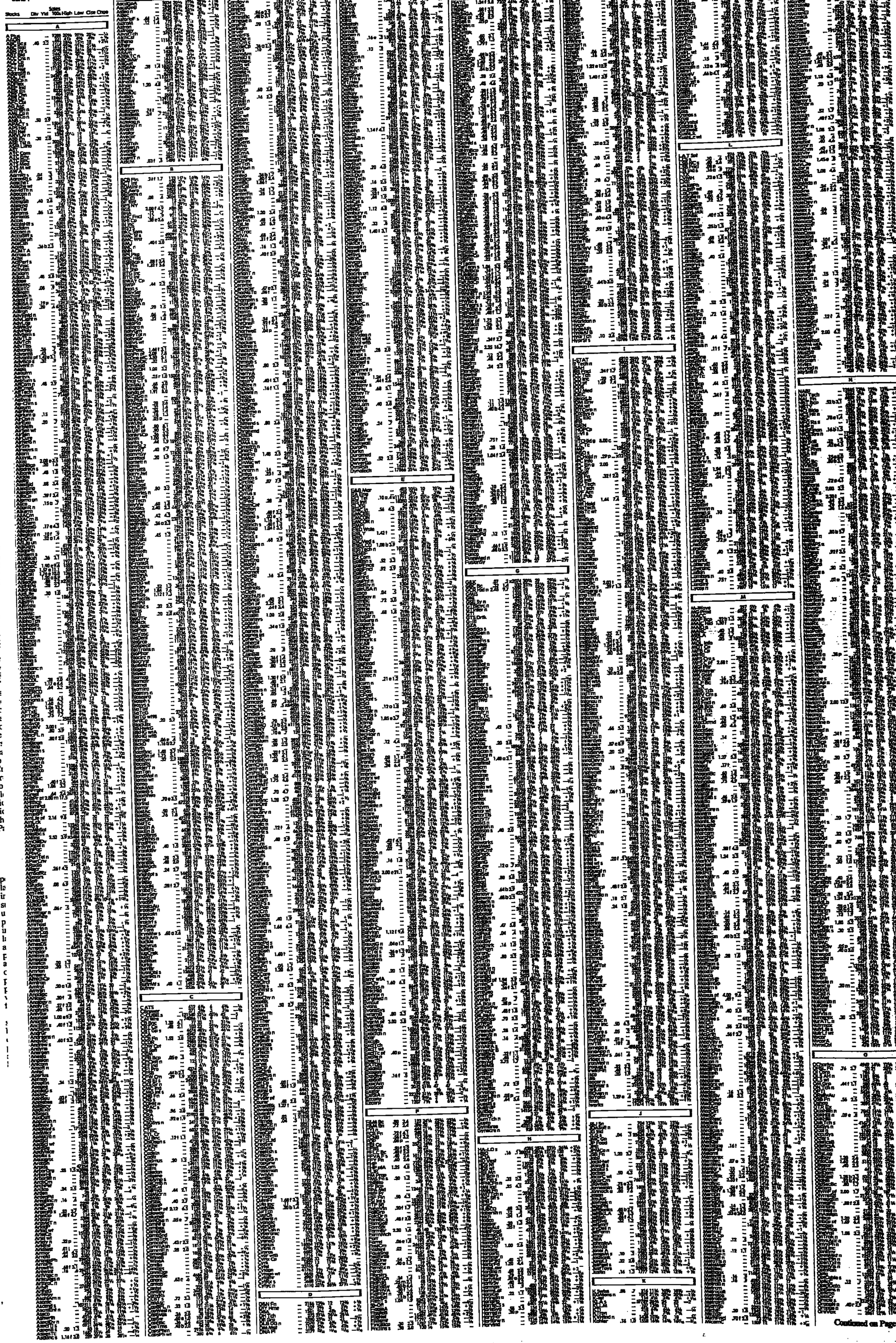


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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, June 7



Continued on Page 19

CYBERSCAPE

One Company Gives Old PCs an Afterlife

By Russell Flannery
Bloomberg Business News

TAIPEI — Most of the 15,000 professional foreign buyers visiting Asia's biggest annual computer equipment fair, in Taipei this week, come to find hot new items. But Alan Davis, 38, director of KDS International Inc. of Berkeley, California, is looking for products given up for dead.

"To put it bluntly, we're undertakers to the trade," he said. Mr. Davis buys discontinued or obsolete personal computer equipment from manufacturers and sells it to customers who cannot afford the latest products. Computex Taipei, a trade show that ends Monday, is a good place to follow the market because Taiwan is one of the world's largest computer-equipment makers.

'To put it bluntly, we're undertakers to the trade,' Mr. Davis said.

Among the spurned goods whose prices are tumbling in mid-1996 are notebook and desktop PCs built with Intel Corp.'s Pentium central-processing units whose speed is less than 100 megahertz. For many customers, that speed is too low, Mr. Davis said.

"Most of the large manufacturers in the United States in the consumer channel got into trouble — as an example, Packard Bell last year — because they built too many of that type of product," he said. "A lot of people have quite a bit of inventory." Another group of products whose price is falling is relatively slow six-speed CD-ROM drives.

"A lot of people are introducing, or starting to sell as standard product, the eight-speed," he said. "Anybody who has any substantial inventory right now of six-speed is looking over their shoulder with a great deal of nervousness."

But consumers should not expect big bargains on monitors in the near future, Mr. Davis said; global demand for all types of monitors is too brisk.

Mr. Davis's customers are wholesalers and department stores in the United States or in countries where per-capita income lags that of the West. "It's wherever people have to buy on a budget," he said.

Personal-computer equipment becomes "trailing edge" from six months to three years after its release, he said.

"Our business is driven by low-cost brand product," he said. When large manufacturers have inventories to liquidate, they can turn to KDS, he said.

Internet address: CyberScape@iht-lib.demon.co.uk

Young and Forced to Work

Group Cites Growing Problem of Child Labor

By Erik Ipsen
International Herald Tribune

LONDON — Children are being pressed into labor in increasing numbers in many regions of the world, with hundreds of millions of them working in dangerous conditions, according to a report being released Monday.

The International Labor Organization, which catalogs trends in child labor, estimated that 13 percent of the world's 10- to 14-year-olds, or a total of 73 million children, were working.

The group also estimated that if children under 10 and girls engaged in full-time domestic work were included, working children around the globe would probably number in the hundreds of millions, but it conceded that no firm statistics on child labor were available.

To try to reduce the number of child workers, labor ministers from 173 countries have put the issue on the agenda for their meeting Wednesday in Geneva.

The organization said it was mostly concerned with what it viewed as the most "damaging and abusive" forms of child labor, such as slave labor, work with toxic substances and prostitution.

"Today's child worker will be tomorrow's uneducated and untrained adult," said Michel Hansenne, the director-general of the Geneva-based organization.

Despite its 80-year effort to combat child labor, the organization said, the number of working children has continued to rise in Africa and Latin America.

The group said it also had found signs the problem was expanding, although at a slower rate, in Central and Eastern Europe and in the United States.

According to the report, child labor is most common in Africa, where an estimated 24 million children, or more than one-fourth of people aged 10 to 14, are workers.

Two African countries, Mali and Burkina Faso, topped the report's rankings of percentages of children employed. Slightly more than half of the children there had regular jobs, the labor organization said.

But Asia has the greatest number of working children — with about 45 million of them, accounting for 13 percent of the continent's 10- to 14-year-olds.

The group found reason for optimism in Asia, however, saying the portion of children who were working was declining, especially in the rapidly developing countries of South East Asia.

According the report, nine of 10 working children live in rural areas, where most of the work is in agriculture. But with the explosive growth of cities in developing countries in recent years, the report also said the problem was shifting from a rural to an urban setting.

In particular, the organization cited a growing problem of child prostitution in cities. The group said the rise in child prostitution was partly linked to the spread of acquired immune deficiency syndrome. It called AIDS a "contributing factor" to the trend, saying that in some countries, "adults see the use of children for sexual purposes as the best means of preventing infection."

The report also blamed government officials who it said had ignored the problem. "The laissez-faire attitude of the authorities in charge of national and international tourism is also largely responsible for the situation," it said.

EDS Gains Independence from GM

By Allen R. Myerson
New York Times Service

PLANO, Texas — Electronic Data Systems Corp., which was sold by Ross Perot to General Motors Corp. for $2.5 billion in 1984, has won its independence back from GM.

The company, which had been trading on the New York Stock Exchange as General Motors Class E stock, will be listed on its own beginning Monday, and its stockholders will receive one new EDS share to replace each GM Class E share they now hold.

No longer will EDS need the automaker's approval for acquisitions, pay plans and other decisions. Analysts said the move would help the computer services company.

"Operating under a benevolent parent is good and secure, but it was quite frustrating," said Allie Young, an analyst at Dataquest. "Now, they're not going to have to wait to get on the GM docket at a board meeting."

EDS executives said the company planned to pursue new contracts with companies that competed with General Motors.

[An EDS source who spoke on condition of anonymity said the company had been actively pursuing business with Chrysler Corp., Reuters reported from Detroit. One possible result is that EDS could take over a portion of Chrysler's central data-processing functions.]

EDS will now be able to use its stock for acquisitions, whereas before it had to pay cash. Analysts said independence should give EDS a higher credit rating, with lower borrowing costs than General Motors has.

GM also has reason to be happy: Its $2.5 billion purchase grew in value to $27.6 billion as of Friday, and GM has 150 million shares of EDS into its pension fund.

To secure its freedom, EDS agreed to extend General Motors more favorable contract terms and make a one-time payment of $500 million. In addition, General Motors will have the freedom to seek rival bidders for an increasing share of its computer services business. EDS will continue to be run mostly by executives who joined it when Mr. Perot, the entrepreneur and sometime presidential candidate, was in charge.

China Closes Plants Suspected of Piracy As Sanctions Loom

Compiled by Our Staff From Dispatches

BEIJING — China on Sunday announced closures of four illegal videodisk and laser-disk operations, in an apparent concession before a round of talks with the United States this week aimed at averting a trade war over copyright piracy.

Calling the raid in the southern province of Guangdong a "major crackdown on infringement of intellectual property rights," the Xinhua news agency said police had detained 13 suspects and closed one plant and three assembly lines. The raids occurred May 30 and on Wednesday.

Washington and Beijing have said they will impose sanctions on each other's products starting next week if the two sides fail to agree on a U.S. demand for the closure of all Chinese businesses producing, selling or exporting pirated music, compact disks and software.

Lee Sands, the assistant U.S. trade representative, ended two days of talks in Beijing on Friday without a deal to avert a trade dispute, but U.S. officials said a new round of formal discussions would be held this week.

The U.S. Embassy described last week's talks as frank and as providing a "useful foundation" for the next round.

Beijing has repeatedly warned Washington that a trade conflict would harm U.S. interests in China, but it has mixed the tough stand with sporadic announcements of raids on some of the factories that U.S. industries estimate are costing them $2.3 billion a year in lost earnings.

Washington acknowledges that China has targeted counterfeiters, many of whom operate in Guangdong Province, but says authorities have all but ignored the major manufacturers at the root of the problem.

U.S. officials say the number of compact-disk plants in China has risen from 29 to 34 in the past year and that all of them are producing unlicensed disks. Chinese officials said last week that they were considering closing three more compact-disk plants on grounds of piracy. The current standoff between the United States and China is practically a blow-by-blow replay of the dispute that led to a last-minute signing of an agreement by the two countries in February 1995, just as sanctions were about to come into effect.

The talks this week will focus on U.S. allegations that China has not fulfilled its obligations under the 1995 agreement.

U.S. film, software, music and other industries hurt by Chinese pirating have urged Washington to impose trade sanctions.

But clothing importers and retailers have suggested that sanctions be directed away from the goods they trade, such as textiles and consumer electronic products.

(Reuters, AFP)

■ Chinese Army Goes Public

A business owned by the Chinese army intends to offer shares to the public for the first time and could be listed on the Shanghai Stock Exchange this year, the official Xinhua news agency said, according to an Agence France-Presse dispatch.

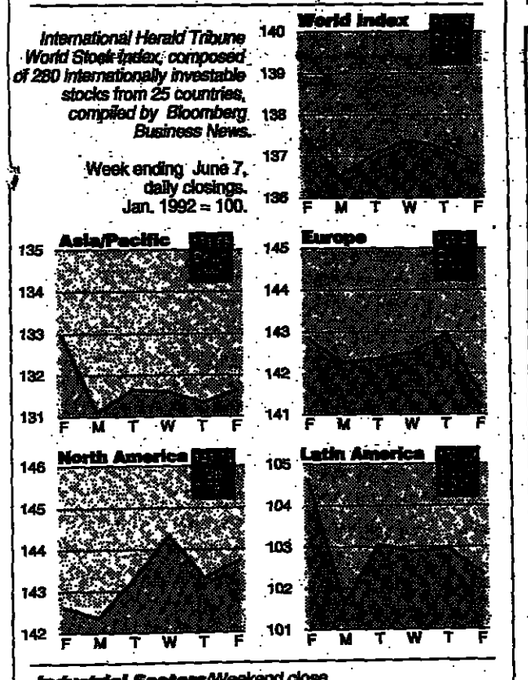
Songliao Automobile Co., based in the northeastern province of Liaoning, has decided to issue 36.8 million shares valued at 178 million yuan ($21.3 million) to finance production of two new vans, the agency quoted the company's director, Zhao Fengxian, as saying.

The sale will begin Wednesday, and the shares will be listed on the Shanghai bourse later, he said.

Songliao, owned by the People's Liberation Army, began as a small automobile repair company in the Shenyang military region but has grown into a company with 228 million yuan in capital.

Since the end of the 1980s, the Chinese army has been engaged in a vast restructuring and has become a powerhouse in the Chinese economy. Its empire touches most sectors and includes automobile, bicycle and refrigerator manufacturers, electronics concerns and hotels.

THE TRIB INDEX



International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News.

Week ending June 7, daily closings. Jan. 1992 = 100.

Industrial Sectors/Weekend close

	6/7/96 close	5/31/96 close	% change		6/7/96 close	5/31/96 close	% change
Energy	144.61	144.29	+0.22	Capital Goods	148.55	148.49	+0.04
Utilities	127.42	128.96	–1.19	Raw Materials	157.08	159.69	–1.63
Finance	119.40	120.72	–1.09	Consumer Goods	145.06	144.75	+0.21
Services	127.05	128.38	–1.04	Miscellaneous	142.29	147.03	–3.22

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

© International Herald Tribune

CURRENCY RATES

June 7

Cross Rates

	$	£	DM	FF	Lire	DFl	BF	SF	Yen	C$	Peseta
Amsterdam	1.7185	2.4455	1.179	0.3389	0.1107	—	5.441	1.3557	1.5745	1.2557	1.3377
Brussels	31.382	44.66	21.544	6.19	2.0217	18.28	—	24.9575	0.2891	22.93	24.435
Frankfurt	1.4574	2.364	—	0.2749	0.0897	0.8936	4.0927	1.1334	1.4047	1.1188	1.1928
London (c)	1.5015	—	2.3667	0.3572	0.1165.07	2.6451	48.672	1.9525	168.32	2.3688	199.84
Madrid	Not Available										
Milan	1,540.35	2,304.80	1,071.85	308.53	—	904.85	49.222	1,239.80	144.96	1,133.25	71.998
New York (e)	—	1.5004	1.5363	5.204	1,653.65	1.7285	37.80	1.2697	169.275	1.3646	120.63
Paris	5.18	6.8155	3.2931	—	0.3548	3.0896	0.1368	4.7131	4.7617	3.2763	4.017
Tokyo	108.38	148.52	71.58	21.58	6.703	63.78	3.4721	86.65	—	80.82	8.8442
Toronto	1.3444	2.1933	0.8982	0.2682	0.0879	0.7705	0.0418	1.0751	1.3499	—	1.1827
Zurich	1.2574	1.7409	0.8227	0.2457	0.0813	0.735	0.0364	—	1.1525	0.8222	0.8716
1 ECU	1.2327	0.8895	1.9141	0.4889	1,607.63	2.1479	59.2659	1.5777	134.288	1.2095	141.385
1 SDR	1.4436	0.9331	2.2049	0.4977	1,822.65	2.4692	45.4878	1.3178	158.845	1.1678	N.A.

Closings in Amsterdam, London, Milan, New York, Paris, and Zurich. Rates in other centers: Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	241.38	Mex. peso	7.47	S. Afr. rand	4.3435
Australian $	1.3706	Hong Kong $	7.7381	N. Zealand $	1.4937	S. Kor. won	787.50
Austrian sch.	10.745	Hung. forint	152.47	Norw. krone	6.5222	Swed. krona	6.729
Brazil real	1.018	Indian rupee	34.84	Phil. peso	26.18	Taiwan $	27.72
Chinese yuan	8.3424	Indo. rupiah	2335.	Polish zloty	2.70	Thai baht	25.36
Czech koruna	27.84	Irish £	0.6308	Port. escudo	157.65	Turkish lira	78511.
Danish krone	5.899	Israeli shek.	3.273	Russ. ruble	5053.	UAE dirham	3.671
Egypt. pound	3.3945	Ktma dinar	0.2995	Saudi riyal	3.75	Venez. bolív.	471.00
Fin. markka	4.6885	Malay. ring.	2.4977	Sing. $	1.4075		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5471	1.5466	1.5462	Japanese yen	108.34	107.87	107.42
Canadian dollar	1.3636	1.3628	1.3619	Swiss franc	1.2565	1.2522	1.2500
Deutsche mark	1.5248	1.5219	1.5192				

Sources: ING Bank (Amsterdam); Industrial Bank (Brussels); Banco Commerciale Italiano (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Bringing Asian Arts To Western Salons

Firm Specializes in Up-Market Imports

By Kevin Murphy
International Herald Tribune

HONG KONG — Nearly three years after the New York painters Brad Davis and Janis Provisor decided to turn their artwork into wild silk carpets, a shipment unlike anything produced before in China's Zhejiang Province is just about ready for the American market.

Armed with a long list of New York design and art-world contacts, the couple's Hong Kong-based Fort Street Studio is prepared to test its belief that the market is ready for a carpet style that Ms. Provisor describes as "soft, organic modernism; fresh and new and something that hasn't been done before."

Venturing into business for the first time, this husband and wife have more than their reputations as artists on the line with a limited series of handcrafted carpets: They have pumped a considerable chunk of their savings into a project that started almost by accident after the two lectured at Hangzhou University, a center for traditional Chinese painting.

SMALL BUSINESS

They have retained Wisch Group, a small U.S. public-relations, marketing and merchandising firm specializing in just this type of project.

"We know this business is going to go, but we know we need help to make it a success," Ms. Provisor said. "We were wearing every hat. It's a relief to know they could handle all the public relations."

Combining its members' experience in the marketing of luxury fashion and furnishings into a one-stop business, the Wisch Group team of Debra Linhart Wisch and Tanya Traykovski aims to help develop Asian-made style into top-drawer brands for Western markets.

For Asian-based artists and designers trying to crack the complex American market, there are few other firms to turn to for help with media exposure, distribution agreements, pricing issues and overall marketing strategy pitched at the luxury end of the retail spectrum.

Most Asian exporters are mass marketers most comfortable in the high-volume, low-margin arena. The support available to the rare would-be luxury-goods craftspeople in the region reflects that marketing ethos.

Apart from helping Fort Street Studio with its publicity campaign for rugs, which will be distributed in the United States by Stark Carpet Corp. in New York, Wisch Group is advising on a marketing strategy for its other product line, bone china dishes from Thailand featuring the artists' designs.

"There are a lot of business issues in the design area we hadn't thought of," Mr. Davis said of the tableware collection. "We were looking at this project just as artists."

Wisch Group's other clients — furniture and furnishing designers, jewelers, and Laura Biagiotti, an Italian luxury cashmere manufacturer now adding a line of Mongolian-made garments to its collection — all fit the mold of specialty-goods makers with an Asian base trying to broaden their upscale marketing network.

"We are working to identify talented designers and place them in the right stores," Ms. Traykovski said. "We know the American market and can add credibility to new products. Showrooms and retailers can be hesitant to work with an Asian brand they don't otherwise know."

Wisch Group expects to book about $250,000 in fees this year, but its earnings estimates are low because it is willing to forgo up-front fees for a percentage of the business.

"We're like venture capitalists," Ms. Wisch said. "But we're investing our time and expertise in lieu of financing."



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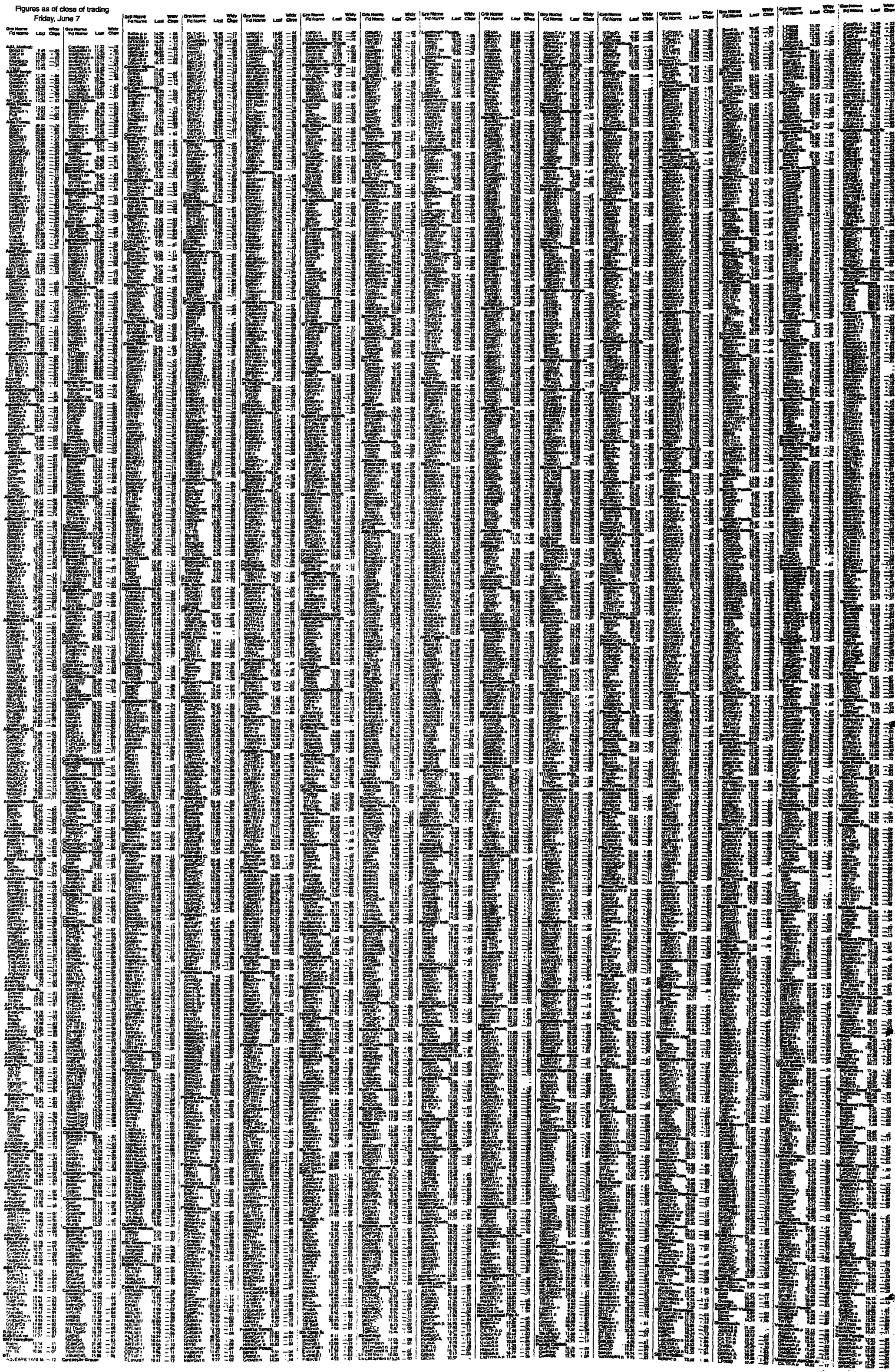
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MUTUAL FUNDS

Figures as of close of trading
Friday, June 7



SHORT COVER

Rubin Sees Room for Growth

WASHINGTON (Knight-Ridder) — Treasury Secretary Robert E. Rubin said Sunday that the U.S. economy was growing at less than its capacity, leaving room for growth to accelerate without triggering higher inflation.

"We should shoot for the highest possible rate of growth over the long term," Mr. Rubin said in a televised interview. "Nobody knows what that rate is."

Mr. Rubin also said President Bill Clinton's administration did not plan now to propose a cut in capital gains taxes. But he did not rule out the possibility, saying the White House would evaluate any proposals for a cut on the basis of what they would do for the economy and job growth.

Quest for Standard Decoder Fails

FRANKFURT (Reuters) — Two German companies building rival set-top boxes for digital television failed at a weekend meeting to solve a dispute over creating a common standard, a spokesman for one of the companies said Sunday.

A spokesman for Bertelsmann AG said a rival group headed by Kirch Group had put forward a proposal to create a supplemental device that would allow the use of other systems.

But the Bertelsmann spokesman said Kirch's proposal had been rejected as not being a solution creating a common standard for the boxes, which are devices that decode signals and allow for the billing of planned interactive television services.

Jordan Scraps Some Import Duties

AMMAN (Knight-Ridder) — Jordan said Sunday it would exempt 70 imported raw materials from customs duties in a move to enhance the competitiveness of Jordanian products.

"The exempted raw materials are used as inputs in various Jordanian industries," said Marwan Muasher, Jordan's information minister.

He said the decision had been designed to "protect local industries and to rectify an imbalance emanating from the fact that imports of products including such raw materials were already exempted from customs fees."

He said the cabinet would consider exemptions for other raw materials.

Gdansk Shipyard Is Bankrupt

GDANSK, Poland (Reuters) — Poland has decided to push the debt-ridden Gdansk shipyard, birthplace of the Solidarity union, into bankruptcy.

Poland's Treasury, which owns 60 percent of Stocznia Gdanska SA, decided Saturday that the yard could not continue operating because of a lack of finances, which means management must file for bankruptcy.

Wieslaw Kaczmarek, the privatization minister, agreed that a new shipyard company could be set up using assets from the old. But he said the new firm could only function for 12 months, to complete five ships now under construction, and could not take on new orders.

Harrods Said to Plan Share Listing

LONDON (AFP) — The owners of Harrods, the Al-Fayed brothers, are considering floating 20 percent of the store's capital on the London and New York stock exchanges as part of their plans to expand the company's activities, The Sunday Times reported.

The paper said Harrods, which is estimated to be worth £2 billion ($3 billion), would engage the services of an American investment bank for the operation.

Yue Yuen Sees Goldman Investing

HONG KONG (Reuters) — Yue Yuen Industrial (Holdings) Ltd. said Sunday that Goldman, Sachs & Co. would invest $55 million in the Hong Kong footwear maker to fund part of its expansion plan.

Yue Yuen, which says it is the world's largest original-equipment manufacturer of athletic footwear, said Goldman would subscribe for new shares equal to 9.9 percent of the shares outstanding of Yue Yuen and intended to nominate a director to its board.

Yue Yuen would use part of the proceeds to finance the purchase of the remaining 55 percent of Pou Yuen Industrial (Holdings) Ltd. it did not already own.

After the acquisition, Yue Yuen would have an annual turnover of about $1 billion, it said.

For the Record

Hopewell Holdings Ltd. of Hong Kong is set to sign a 10.9 billion Philippine peso ($416.3 million) joint venture agreement with Philippine National Construction Corp. to extend and upgrade a major highway in the northern Philippines.

The European Bank for Reconstruction and Development plans to maintain its stake in the Ukraine investment venture fund at 30 percent, the fund's vice president, Valery Shchekaturov, told the Interfax news agency.

Exporters in the industrial city of Faisalabad, Pakistan, have adopted a Sunday weekend instead of the official Friday holiday to win more export orders, a local executive said.

Air Canada is in talks with ValuJet Inc. about performing maintenance work on the no-frills airline's DC-9 jets.

The Journal of Commerce, a subsidiary of the Economist Group, said it had acquired Air Cargo World magazine, which is owned by K-III Communications Corp.

United Microelectronics of Taiwan said sales in May fell 16 percent from a year earlier, to 1.8 billion Taiwan dollars ($65 million) amid a global decline in semiconductor chip prices.

Trinidad and Tobago's gross domestic product grew 3 percent in the first quarter. The expansion was attributed to liberal economic policies and the private sector's contribution to the economy's good health. Growth was 3.5 percent in all of 1995.

Reuters, Knight-Ridder, Bloomberg

Is Big Blue Under the Blue Light?

Compiled by Our Staff From Dispatches

NEW YORK — International Business Machines Corp.'s shares have fallen 21 percent from their high this year, but despite some recent gloomy profit forecasts, investors seem to think Big Blue is a good buy.

"The stock is starting to look somewhat attractive," said Wendy Abramowitz, an analyst at Argus Research.

IBM closed at $101.75 Friday, up 50 cents, after a 5 percent plunge at its opening attracted bargain-hunters. The initial plunge was sparked by the company's warning of increasing pressures on its second-quarter results. Several analysts also lowered their expectations for the company's earnings.

IBM said the dollar's rise against other major currencies would reduce its second-quarter revenue by more than previously expected. In addition, lower prices for memory chips are hurting the company's microelectronics business.

On the other hand, sales of personal computer are improving, and the company's work station and minicomputers remain strong, said Daniel Mandresh, a computer industry analyst with Merrill Lynch & Co. He said a strong fourth quarter would enable IBM to meet his full-year earnings estimate $12.75 a share.

Investors also seem to be trying to look at the bright side.

But Bob Djurdjevic, president of Annex Research, said IBM needed to take more drastic steps to raise its stock price. He said it would never be fully valued until the company had been broken up into components, as in the recent breakup of AT&T Corp.

(NYT, Reuters, Bloomberg)

Microcap Fund's Holders Just Want Out

By Timothy Middleton
New York Times Service

NEW YORK — Few investors like to draw attention to their stinkers, but since early this year the biggest holders of the Microcap fund have been owning up to their mistake because they want their money back.

The closed-end fund, which is traded on the Nasdaq system, went public three years ago at $10 a share, and, during one of the strongest bull markets ever, has fallen to $6.

New management was brought in, but dissident shareholders contend that it only made things worse. Shareholders just want the fund to liquidate. At an estimated net asset value of $7 to $8 a share, the fund is worth more to shareholders dead than it is alive.

Virtually everything about Microcap is in dispute. Lawsuits have been exchanged between current and former leaders of the fund, and dissident shareholders constitute a third, overlapping group.

Two of the sides have hired public relations firms, and it seems everyone wants the fund liquidated. The arguments are over when and how.

The troubles of Microcap illustrate much about the little-understood world of closed-end funds. These funds, which are tantamount to investment pools sold by brokers like stocks, are vulnerable to a host of ailments, from illiquidity to poor performance, and Microcap seems to have caught everything it could.

"Microcap stands out as a particularly bad example of what can go wrong with the closed-end

INVESTING

format," said Carolyn Whitfield, an analyst with Morningstar Inc. in Chicago. Microcap's focus on bridge loans to speculative companies, and the fact that many of the securities it acquired in initial public offerings had restrictions against quick resales, made it particularly illiquid.

The Microcap fund began life in March 1993 as the Commonwealth Associates Growth fund. Commonwealth is a privately owned investment bank based in New York. It specializes in financing small companies, primarily in health care and technology, through private placements and public underwritings of $30 million or less.

Michael S. Falk, Commonwealth's chairman and a member of Microcap's board, has joined the dissidents. He said the fund was created to allow Commonwealth's retail-investor clients to own a diversified pool of its private placements with the liquidity of a publicly traded security.

The fact that Microcap was underwritten by a single firm did not help it when it began to trade publicly. "The lack of analyst coverage and sponsorship at other firms helps drive it to a discount," said Donald Cassidy, an analyst for Lipper.

Investors Find It Pays to Take Credit Risks

By Floyd Norris
New York Times Service

NEW YORK — One way to read the current bond market is to say that confidence has seldom been greater. Or, to put it another way, seldom has credit risk seemed less scary to investors.

The Treasury bond market has had a rough 1996, in part because of fears that the U.S. economy is too healthy. But within the bond market, things are not as bad as you would think from looking at Treasurys. Corporate bond prices have not fallen as far, and many junk bond prices are rising.

All other taxable bonds yield more than Treasury securities of comparable maturity, of course. The two reasons for this are: First, it is generally assumed there is no default risk because the Treasury has a printing press to produce dollars; second, Treasury securities have a slightly better tax standing because their holders need not pay state and local income taxes on the interest. One common way to indicate the yield on a bond, therefore, is to list the spread between its actual yield and the yield on similar Treasury issues.

These days, a company or other entity with a Triple-B rating — a rating that barely qualifies as investment-grade — can issue long-term bonds paying a little more than one percentage point above what the Treasury pays. A few years ago, the spread was twice as much.

Similarly, the spread between junk bonds and Treasurys has been narrowing, as has the spread between relatively good junk and the stuff issued by companies with horrendous balance sheets.

As a result, the story of the bond market this year has been that those who cared about quality have suffered, while those who sought out risk have been amply rewarded.

In part, that is a reflection of where the money is going. Investors are taking money out of mutual funds that buy Treasury securities even as they pour money into junk-bond funds at a record pace.

Martin Fridson of Merrill Lynch & Co. said that in previous peak periods, junk funds were inundated with money when interest rates were falling. Now, they get the money as rates rise.

Few, it appears, are worrying about default possibilities, just as few stock-market investors seem concerned about what could go wrong in the businesses they are buying.

Some defaults may have been averted because of eager stock buyers. "Companies go public instead of going bankrupt," Mr. Fridson said.

The lack of investor concern about credit quality is good news for some borrowers.

Still, narrow spreads are unlikely to endure indefinitely, though it is not clear what will provoke a change. A few well-publicized defaults might do it, as could investment-grade companies making acquisitions that turned their bonds into junk overnight.

Egyptian Fund Cites Strong Gain

Reuters

CAIRO — The fund-management concern Prime Investments launched Egypt's first index of privatized shares Sunday and said the stocks' value had grown 85.4 percent since a theoretical starting point on July 2, 1994.

The Prime IPO index includes all 16 shares that the government has offered to the public as part of a privatization program that has started to pick up pace.

Mohamed Abdel-Hadi, investment analyst at Prime Investments, said the index was based on a portfolio reallocation principle.

"We allocate equal weight to each company each day, resell at the end of the day and then reallocate equally the next morning," he said. In this way it can easily accommodate new privatizations, he added. The index stood at 1,854.1 on Sunday, 0.51 percent higher than the company said it would have been a week ago. The July 1994 base is 1,000.

Soros Seeks Tightening Of Curbs on Speculators

Reuters

FRANKFURT — The international financier George Soros called in a magazine interview for internationally effective regulations against excessive speculation in financial markets.

Mr. Soros, who made a profit of $1 billion on a speculative bet in 1992 that the pound would fall, helping to force Britain out of the European exchange rate grid, said, "If people like me can crash a currency system, there is certainly something wrong with the system." He told Der Spiegel in an interview to be published Monday that existing rules against such speculation were insufficient.

The Hungarian-born Mr. Soros also said he saw a good possibility of a single European currency beginning in January 1999, as outlined in the Maastricht Treaty on Economic Union. "It is basically a political decision," he said. But he said European nations would have to work hard to meet the criteria for joining the single currency and added some of the requirements may have to be softened to make the deadline.

"The criteria will be changed if necessary," he said. "In my opinion, such a move would make sense so that the introduction of the new currency does not boost unemployment as a result of too-ambitious savings programs."

He said the currencies of Germany, France, Luxembourg, the Netherlands and Austria would certainly be among the founding members. Belgium probably will join as well, "with the help of a few exceptional provisions," he said, but "I see no chance for Italy, despite great efforts, to be there at the start. This country has to wait."

Tietmeyer Sees Hope of New 'Cyclical Upturn'

Compiled by Our Staff From Dispatches

BASEL, Switzerland — Hans Tietmeyer, president of the Bundesbank, said Sunday the German economy was showing signs of a recovery, and he linked cuts in already low interest rates to money-supply growth.

"There is a chance of a new cyclical upturn," Mr. Tietmeyer said at the annual meeting of the Bank for International Settlements. "When it will start and how strong it will be remains to be seen."

Mr. Tietmeyer said increases in export orders and a pickup in business confidence in April, which ended a four-month slide, suggested that the economy was getting back on track after shrinking for two quarters in a row.

The German economy contracted 0.4 percent in the first quarter, the government said last week. The decline, its second in a row, formally put the German economy into a recession after eight quarters of expansion that ended last year.

Mr. Tietmeyer said the Bundesbank had already promoted economic growth by cutting interest rates to historically low levels. Its discount rate stands at 2.5 percent. But he added that the growth rate of the money supply, not the state of the economy, would determine further cuts.

"Monetary policy is in line," Mr. Tietmeyer said. He said the Bundesbank would examine at each of its policy-making meetings "whether there is a little bit more room or not."

Separately, Hans Meyer, the Swiss National Bank's president, said there was no room now for cuts in interest rates, and he predicted the Swiss economy would grow faster in the second half of 1996.

"We feel we have done a lot to help," Mr. Meyer said. "We don't feel we have any leeway to go further."

The Swiss discount rate, at 1.5 percent, is the lowest in Europe and is at its lowest level since 1979.

(Bloomberg, Knight-Ridder)

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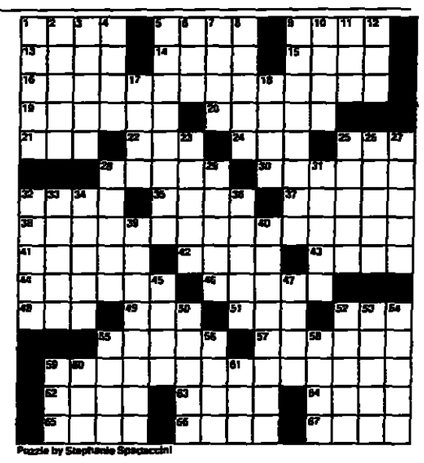
1 Practice with Rocky
5 Fresh kid
9 Hop-jump intervener
13 *Grow dim*
14 Architect Saarinen
15 Salon job
16 Very thin noodles
19 80's-90's White House dog
20 Quickly pans *(in)*
21 Slippery stuff
22 Mornings, for short
24 *Bread, for stew*
25 Engine additive: Abbr.
28 Main battle line, with "the"
30 Playboy founder
32 *Detace*
35 Loathsome one
37 Go *on and on*
38 Marinated salad items
41 Mario's "handsome"
42 One-named soccer star
43 "Untouchable" Eliot
44 *"No kidding!"*
46 Celery unit
48 TV spots
49 —— Alamos, N.M.
51 Gardner of film
52 Critic —— Louise Huxtable
55 Perfect Sleeper maker
57 Mingo player on "Daniel Boone"
59 High tea accompaniment
62 Medicinal plant
63 "—— be a cold day in . . ."
64 —— homo *(biblical phrase)*
65 Tidings
66 *Feel sorry for*
67 "—— I say ..."

DOWN

1 Guru
2 Sudden terror
3 Corner shape
4 Film spool
5 Huge creature
6 "The Crying Game" star Stephen
7 N.M. neighbor
8 Bullring bulls
9 Headlong rush
10 Smooch
11 Bank acct. addition
12 School org.
17 *Tale teller*
18 Milne character
23 Nose (around)
25 Zzzz
26 Camp shelters
27 What the Gazette goes to
28 Extra
29 Grabs
31 Ol' Blue Eyes
32 Israeli native
33 *Belief system*
34 Mythical strongman
36 River's end
39 Bryn Mawr and others
40 Celestial
45 The olden days
47 Alan or Cheryl
50 Get undressed
52 Friend, in Florence
53 Bing Crosby's record label
54 Hearth residue
58 Problem solved by cable
56 Italian wine region
58 Impressed
59 Summer breeze source
60 Paris's —— de la Cite
61 *Supermodel* Carol

Solution to Puzzle of June 7

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		K	I	L	O	M	E	T	E	R	S			
C	H	I	N	A	W	A	R	E		O	P	E	N	S
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S	E	E	D	Y		E	N	T	A	N	G	L	E	R



Puzzle by Stephanie Spaccarelli

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Capital Stock Lire 123.500.000.000 fully paid in
Turin, Registry of the Companies no. 327/27

Notice of a shareholder's ordinary general meeting

Notice is hereby given that a shareholder's annual general meeting will be held in Turin at the offices of Toro S.p.A., Via Lascaris 4, on June 28th, 1996 at 10,30 a.m. and in case of a second call on June 29th, 1996 at the same place and time, in order to discuss and vote upon the following agenda:

1. Report of the Board of Directors and of the board of Statutory Auditors for the year ended December 31th, 1995; Financial Statements as of December 31th, 1995; related resolutions.
2. Resolutions in accordance with art. 2357 and 2357 ter of the Italian Civil Code.
3. Appointment of Directors.

In order to partecipate to the general meeting, holders of ordinary (voting) shares and holders of preferred (non voting in the ordinary meeting) shares are required to deposit their certificates, at least five days prior to the meeting, at the corporate offices in Turin - Corso Matteotti 26, or at any of the following banks.

Authorized banks:
In the Netherlands: Amsterdam Rotterdam Bank N.V.
In the Federal Republic of Germany: Commerzbank.
In Switzerland: Banca Commerciale Italiana (Suisse), Crédit Suisse and Société de Banque Suisse.
In France: Lazard Frères et Cie.
In Great Britain: Lazard Brothers & Co. and S. G. Warburg and Co. Ltd.
In Italy: all the leading banks.

The Board of Directors

The Financial Reports at December 31th 1995, with the reports of the Statutory Auditors and the Auditors, are depositated at the Corporate Offices at the shareholder's disposal and will be sent to those who request them.

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CAPITAL MARKETS ON MONDAY

Spreading Recovery Makes Rising Rates a Real Risk to Bond Investors

By Carl Gewirtz
International Herald Tribune

PARIS — It is looking like time to sit in cash. Or at least substitutes such as short-term paper or floating-rate notes that are relatively impervious to rising interest rates. Although it is unclear how soon and how much rates will rise, it is a foregone conclusion that they will in the wake of upturns clearly under way in the major economies.

While signs of the strength of the U.S. economy, as evidenced by a surge in employment, attracted the most attention among last week's data releases, the more significant news, said John Llewellyn at Lehman Brothers in London, was confirmation that recoveries are taking hold in Germany and Japan.

Still, this does not necessarily signal an imminent rise in interest rates, but rather a rapidly approaching end to a long period of monetary accommodation.

For Mr. Llewellyn, this means that the current period of relative strength for the dollar could extend until the end of the year and then dissipate as official rates in Germany and Japan start to rise.

But most important, he said, is that "the news from Germany has to be good for the prospect of monetary union in Europe. Europe needs growth, and if German rates start to rise because the economy is improving, it's good for EMU."

At first glance, this looks like good news for the European bond markets outside Germany, which have already advanced sharply this year on prospects of continuing convergence toward the fiscal and monetary criteria needed to qualify for membership in the monetary union.

But these markets now face the turbulence emanating from New York, where investors are clearly unnerved by the rise in employment, a risk of higher inflation and the uncertainty caused by the Senate's delay in voting on the reappointment of Alan Greenspan as chairman of the Federal Reserve Board — and upset in New York, which sets the mood for global markets, risks to be bad news for Europe.

Jim O'Neill at Goldman, Sachs & Co. in New York said last week's jobs data were "unequivocally bad news for U.S. bonds and good news for the dollar, assuming that the Fed increases rates, as we believe it will, by a quarter-point" at its policy-making meeting in July. But if the Fed fails to increase rates, "it would be negative for the dollar," he warns.

At J.P. Morgan & Co. in New York, however, Phil Suttle, an analyst, said last month's rise in the unemployment rate, despite a big increase in jobs, will keep the Fed on hold until its meeting in August. The view at Morgan is that long-term U.S. rates, currently 7.03 percent, will hit 7.40 percent by early autumn. At Goldman the forecast is 7.50 percent by year-end.

At best, the dollar is expected to advance about 7 percent from its current level of 1.5368 DM, to a year-end level of perhaps 1.65 DM, and 6 percent, to around 116 yen, from the current level of 109.275 before retreating as German and Japanese rates start to rise.

While a weakening mark is usually good news for bond markets in the rest of Europe — permitting neighboring nations to shave their own short-term rates, as was seen last week — the gains already registered in bond markets and currency values do not leave much room for further improvements, warned Avinash Persaud at J.P. Morgan in London.

"It's time for strategic withdrawal from these markets before it's too late," he says, adding that "there's no reason to panic," as they still provide attractive returns. But against the prospect of a "risky background by year-end," he says, it's time to "think about reducing risk exposure and moving away from long-term holdings."

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending June 7. Prices supplied by Telekurs.

Austrian Schilling

Rnk	Name	Cpn	Maturity	Price	Yield
165	Austria	6¼	05/31/06	97.8000	6.3900
246	Austria	6⅛	02/09/06	97.4500	6.2900

British Pound

Rnk	Name	Cpn	Maturity	Price	Yield
202	Britain	7¾	09/08/06	98.0625	7.9000
222	Sedgwick Group	7¾	05/31/08	97.5000	7.4400
245	Merrill Lynch &	6.325	06/04/01	99.9000	6.3300

Canadian Dollar

Rnk	Name	Cpn	Maturity	Price	Yield
237	Canada	5¾	03/01/99	98.3000	5.8600

Danish Krone

Rnk	Name	Cpn	Maturity	Price	Yield
8	Denmark	8	03/15/06	104.0000	7.4900
19	Denmark	7	08/15/97	102.8000	6.8100
30	Denmark	7	12/15/04	99.3000	7.0500
32	Denmark	9	11/15/00	111.2600	8.0900
36	Denmark	7	11/10/24	86.1400	8.1300
37	Denmark	9	11/15/98	109.0000	8.2600
58	Denmark	8	11/15/01	107.1800	7.4600
64	Denmark	8	05/15/03	106.4500	7.5200
67	Denmark	7	02/15/98	103.8300	6.7400
79	Denmark	9	11/15/96	101.8700	8.8300
97	Denmark	6	12/10/99	101.8200	5.8900
135	Denmark T-bills	zero	07/01/96	99.7471	3.4800
142	Nykredit	6	10/01/26	80.7500	7.4300
157	Denmark T-bills	zero	10/01/96	98.8187	3.7100
181	Denmark	7	11/15/07	96.2500	7.2700
187	Denmark	10	11/15/96	102.3000	9.7800
243	Denmark	6¼	02/10/97	101.3200	6.1700

Deutsche Mark

Rnk	Name	Cpn	Maturity	Price	Yield
1	Germany	5¼	08/22/00	102.7500	5.6000
2	Germany	5¼	02/21/01	100.4367	5.2300
3	Germany	6¼	04/26/06	98.5200	6.3400
4	Germany	5⅛	11/21/00	100.1775	5.1200
6	Germany	6	02/16/06	96.7825	6.2000
7	Germany	8¾	08/20/01	115.4250	7.5800
9	Germany	8	01/21/02	111.4250	7.1800
10	Germany	6½	10/14/05	100.5950	6.4600
11	Treuhand	7⅛	01/29/03	106.4200	6.7000
12	Germany	5⅞	05/15/00	103.3800	5.6800
13	Germany	7⅜	01/03/05	106.7200	6.9100
14	Treuhand	6⅞	06/11/03	104.6633	6.5700
15	Germany	6	01/05/06	96.9300	6.1900
16	Germany	6⅞	05/12/05	103.3200	6.4500
20	Germany	8½	02/20/01	113.2200	7.5100
21	Germany	8¼	09/20/01	112.7050	7.3200
22	Treuhand	7½	09/09/04	107.5200	6.9800
23	Germany	6½	03/15/00	105.6100	6.1500
25	Germany	5¼	11/20/97	102.2800	5.1300
26	Germany	6¼	01/04/24	88.4000	7.0700
27	Germany	8⅜	05/21/01	113.2225	7.4000
29	Treuhand	6⅝	07/09/03	103.1425	6.4200
31	Germany	6⅝	05/20/98	104.5600	6.1000
33	Germany	6	02/20/98	103.5800	5.7900
35	Treuhand	6½	04/23/03	102.7500	6.3300
38	Germany	6½	07/15/03	102.5100	6.3400
39	Germany	9	10/20/00	114.6300	7.8500
40	Germany	7	01/13/00	107.4150	6.5200
41	Germany	7½	11/11/04	107.6200	6.9700
42	Germany	8	07/22/02	111.5050	7.1700
43	Treuhand	6¾	05/13/04	103.0767	6.5500
45	Treuhand	6⅝	07/01/99	105.1700	6.0600
46	Germany	8¾	07/20/00	113.4400	7.7100
49	Germany	8⅞	12/20/00	114.4975	7.7500
50	Germany	8	03/20/97	103.5000	7.7300
52	Treuhand	7⅜	12/02/02	107.9300	6.8300
53	Treuhand	7	11/25/99	107.4150	6.5200
55	Germany	6	09/15/03	99.9700	6.0000
57	Treuhand	7¾	10/01/02	109.9525	7.0500
59	Treuhand	6⅛	06/25/98	104.1700	5.8800
61	Germany	8½	08/21/00	112.6400	7.5500
62	Germany	7½	10/20/97	104.7325	6.9200
69	Germany	6¾	04/22/03	104.2500	6.4700
70	Germany	6¾	07/15/04	103.1567	6.5400
71	Germany	8¼	07/21/97	105.1200	7.8500
72	Germany	6¾	09/15/99	105.5800	6.3300
74	Treuhand	6	11/12/03	99.4500	6.0300
76	Treuhand	5⅝	09/24/98	103.3067	5.4400
77	Treuhand	6⅛	03/26/98	103.9500	5.8900
78	Germany	6	06/20/16	88.7050	6.7600
80	Germany	6⅝	01/20/98	104.4050	6.3500
82	Germany	8	09/22/97	105.4300	7.5900
85	Germany	7½	10/20/97	105.0500	7.1400
87	Treuhand	6¼	03/04/04	100.3600	6.2300
88	Treuhand	5¾	04/29/99	103.6000	5.5500
92	Germany	7⅛	12/20/02	106.7200	6.6800
93	Germany	7	12/22/97	104.8200	6.6800
98	Germany	3.105	09/30/04	99.0300	3.1400
100	Treuhand	5	12/17/98	101.9033	4.9100
103	Germany	5¾	08/20/98	103.5933	5.5500
104	Germany	9	01/22/01	115.1200	7.8200
105	Germany	5¾	08/20/97	102.5400	5.6100
112	Germany	6⅞	02/24/99	106.3433	6.4600
114	Germany	7¼	10/21/02	107.6200	6.7400
116	Treuhand	5	01/14/99	101.9000	4.9100
119	Germany	5½	10/20/98	102.7000	5.1100
124	Germany	8¾	05/22/00	113.2950	7.7200
132	Germany	6⅞	12/02/98	106.2300	6.4700
137	Germany	5¾	05/28/99	103.5300	5.5500
138	Germany	6⅞	01/20/98	103.9200	6.1300
140	Germany	7¾	02/21/00	109.6400	7.0700
141	Germany	5¼	02/25/98	102.4200	5.1300
144	Germany	6⅝	08/14/98	104.8367	6.0800
149	Germany	6⅝	05/20/97	102.7300	6.2100
152	Brazil	11	04/15/06	98.5305	11.1600
156	Treuhand	6¼	07/29/99	104.8600	5.9600
177	Germany	7⅛	11/21/96	101.6700	7.0100
178	Germany	6⅛	05/20/99	104.7500	5.8500
179	Germany	6¼	02/20/98	103.8600	6.0200
183	World Bank	7⅛	04/12/05	104.2000	6.8400
188	EIB	6	10/22/03	99.0500	6.0600
192	Germany	8⅜	01/20/97	102.9833	8.1300
193	Germany	5⅝	02/22/99	102.9275	5.2200
194	Credit Foncier	7¾	02/24/03	101.5000	7.1400
198	Deut Bundbahn	6⅛	10/28/03	99.7000	6.1400
217	Britain	7⅞	10/28/97	104.5200	6.8200
218	Germany	7¼	01/20/00	108.0300	6.7100
219	Germany	6½	01/02/99	105.2600	6.1800
220	Germany	5½	05/20/97	101.9667	5.3900
221	Volkswagen	4.85	02/28/01	96.2336	5.0400
228	Germany	8½	09/20/96	101.3800	8.3800
233	Germany	6⅞	08/20/97	103.2200	6.1800
241	Germany	6¾	05/02/03	103.2900	6.5300
242	Austria	7¼	05/03/07	104.3800	6.9500

Dutch Guilder

Rnk	Name	Cpn	Maturity	Price	Yield
5	Netherlands	6¼	07/15/98	104.7300	5.9700
47	Netherlands	6	01/15/06	97.6400	6.1500
56	Netherlands	9	01/15/01	115.4700	7.7900
65	Netherlands	7½	01/15/23	105.7000	7.1000
68	Netherlands	9	05/15/00	114.70	7.8500
94	Netherlands	6¾	02/15/99	106.2500	6.3500
101	Netherlands	6½	04/15/03	103.6000	6.2700
107	Netherlands	7	05/15/99	107.0500	6.5400
110	Netherlands	6¾	11/15/05	102.9000	6.5600
111	Netherlands	8½	03/15/01	113.6500	7.4800
117	Netherlands	8¼	06/15/02	113.3000	7.2800
121	Netherlands	7	06/15/05	104.8500	6.6800
127	Netherlands	8¼	02/15/07	113.3000	7.2800
131	Netherlands	7¾	01/15/00	109.8000	7.0600
139	Netherlands	7½	06/15/99	108.5100	6.9100
147	Netherlands	5¾	01/15/04	98.0500	5.8600
148	Netherlands	8¼	02/15/00	111.5500	7.4000
153	Netherlands	8¼	09/15/01	115.45	7.5800
169	Netherlands	8¼	02/15/02	113	7.3000
173	Netherlands	7	03/15/99	106.9500	6.5500
176	Netherlands	7½	04/15/10	107.5500	6.9700
184	Netherlands	7¼	10/01/04	106.9500	6.7800
186	Netherlands	8½	06/01/06	115.40	7.3700
195	Netherlands	6½	07/15/98	105.1400	6.1800
203	Netherlands	9½	11/30/00	116.45	7.9400
207	Netherlands	7	02/15/03	106.4000	6.5800
209	Netherlands	7½	11/15/99	109.0000	6.8800

ECU

Rnk	Name	Cpn	Maturity	Price	Yield
51	France OAT	7½	04/25/05	103.5000	7.2500
54	France BTAN	5	03/16/99	99.4500	5.0300
60	France B.T.A.N.	6	03/16/01	100.2900	5.9800
91	France OAT	7	04/25/06	99.5000	7.0400
99	France OAT	6	04/25/04	95.1000	6.3100
108	France BTAN	7¼	03/16/98	104.0000	6.9700
109	Britain	9⅛	02/21/01	111⅞	8.1600
113	France BTAN	7½	03/16/97	102.2100	7.3400
115	France OAT	6¾	04/25/02	102.0100	6.6200
120	UK T-note	5⅛	01/21/97	100.3900	5.2300
123	UK T-note	5	01/26/99	99.8550	5.0100
146	France OAT	9½	04/25/00	112.4225	8.4500
150	UK T-note	8	01/27/98	104.7900	7.6300
159	France OAT	8¼	04/25/22	105.9200	7.7900
180	Italy	9¼	03/07/11	112⅞	8.1900
201	France OAT	10	02/26/01	115.6775	8.6400
208	France OAT	8½	03/15/02	109.2500	7.7800
213	EIB	10	01/24/01	115⅛	8.6900
216	France OAT	8	04/25/03	107.4525	7.4500
230	Italy	4.414	07/31/98	100.1300	4.4100
240	Italy	7	11/29/98	101.2100	6.9200

French Franc

Rnk	Name	Cpn	Maturity	Price	Yield
167	France OAT	7¼	04/25/06	105.6000	6.8700
185	France B.T.A.N.	5¾	03/12/98	102.1800	5.6300
190	France OAT	6¾	10/25/03	103.3200	6.5300
199	France OAT	8¼	02/27/04	112.2400	7.3500
200	France BTAN	7¾	04/12/00	108.6600	7.1300
234	France OAT	8½	12/26/12	115.90	7.3300
235	France OAT	8½	04/25/03	113.6100	7.4800

Italian Lira

Rnk	Name	Cpn	Maturity	Price	Yield
226	Italy	10½	11/01/00	106.0000	9.9100

Japanese Yen

Rnk	Name	Cpn	Maturity	Price	Yield
75	Fannie Mae	2	12/20/99	100.5000	1.9900
168	Italy	3¾	06/08/05	103.1250	3.6400
212	TB Fin	zero	10/01/04	103.6250	0.4300
215	World Bank	4½	06/20/00	109.7500	4.1000
223	Italy	3½	06/20/01	104.3750	3.3500

Spanish Peseta

Rnk	Name	Cpn	Maturity	Price	Yield
102	Spain	10.10	02/28/01	106.2540	9.5100
172	Spain	10.15	01/31/06	105.8060	9.5900
232	Spain	10.30	06/15/02	106.9370	9.6300

Swedish Krona

Rnk	Name	Cpn	Maturity	Price	Yield
89	Sweden	6	02/09/05	86.4252	6.9400
118	Sweden 1036	10¼	05/05/00	110.0351	9.3200
239	Sweden	13	06/15/01	121.3614	10.7100

U.S. Dollar

Rnk	Name	Cpn	Maturity	Price	Yield
17	Brazil Cap S.L	4½	04/15/14	62.9480	7.1500
18	Argentina FRN	6 5/16	03/29/05	76.7500	8.2200
24	Brazil par ZI	5	04/15/24	52.4302	9.5400
28	Brazil L	6½	04/15/06	77.2500	8.4100
34	Canada	6½	05/30/01	99.3750	6.5400
44	Argentina par L	5¼	03/31/23	54.0000	9.7200
48	Venezuela	6 9/16	12/18/07	69.0000	9.5100
63	Brazil 930.0	6⅝	01/01/01	92.2500	6.9100
66	Brazil	6½	04/15/24	67.7500	9.5900
73	Venezuela A	6¾	03/31/20	60.0000	11.2500
81	Mexico	11½	05/15/26	91.6250	12.5500
83	Ford Motor	zero	06/05/01	99.1250	-
84	Mexico par B	6¼	12/31/19	63.7500	9.8000
86	Ecuador	3	02/28/15	44.9807	6.6700
90	Mexico par A	6¼	12/31/19	63.7500	9.8000
95	World Bank	6⅜	05/24/01	99.0000	6.4400
96	Venezuela	6½	03/31/07	70.5000	9.2200
106	Wachovia Bk	5½	06/04/01	99.9000	5.5055
122	Venezuela	6⅜	03/18/07	70.5000	9.0400
125	Ecuador	6 5/16	02/28/25	56.1371	10.8000
126	Morgan Stanley	5¾	06/04/01	99.9600	5.7500
128	Mexico D	6.4531	12/28/19	78.0000	8.2700
129	Oxyden	2¼	06/11/07	58.8897	4.6700
130	Microray		06/11/07	106.6612	93.7500
133	Poland	3¾	10/27/14	75.5572	4.9600
134	Mexico	9¾	02/06/01	98.5000	9.9000
136	Brazil S.L	6 5/16	04/15/12	64.8800	10.1100
143	Sweden	4½	03/24/99	95.0000	4.7400
145	Brazil S.L	6 5/16	04/15/09	70.6200	9.2900
151	Total Access	2	05/31/06	99.0000	2.0200
154	Italy	6⅞	09/27/23	89.1250	7.7100
155	Bulgaria	6¼	07/28/24	51.0000	12.2500
158	Ecuador par	3¼	02/28/25	35.1200	9.2500
160	Abbey Natl TS	6⅝	05/23/01	98.6250	6.7200
161	Kredietbank Intl	6⅛	04/29/99	99.0000	6.1900
162	Abdijan Natl		07/28/04	99.8110	-
163	Venezuela B	6¾	03/31/20	60.0000	11.2500
164	Argentina L	6⅞	03/31/23	69.1200	9.3100
166	Bulgaria	6¼	07/28/11	46.2588	13.5100
170	Poland	6 7/16	10/27/24	92.5000	6.9600
171	Mexico A	6.398	12/31/19	78.0000	8.2000
174	Argentina.	5.422	04/01/01	111.6500	4.8561
175	Brazil Cbond S.L	4½	04/15/14	59.7500	7.5300
182	Sweden	5⅝	02/08/01	99.8700	5.3800
189	World Bank	7⅛	09/27/99	102.1250	6.9800
191	World Bank	6⅝	07/21/05	95.8750	6.6500
196	Abbey Natl TS	6¼	05/14/99	99.2500	6.3000
197	TMCC Sr113	6½	05/29/01	98.8750	6.5700
204	Italy	5.543	07/26/99	100.1200	5.5400
205	Argentina	8⅜	12/20/03	90.3000	9.2700
206	Ontario	6	02/21/06	91.3750	6.5700
210	Bco Com Ext.	7¼	02/02/04	80.7500	8.9800
211	Mexico C	6.352	12/31/19	78.0000	8.1400
214	Credit Lyonnais	6½	12/31/99	94.0000	6.9100
224	Canada	6⅝	07/21/05	95.2500	6.6900
225	GMAC	6½	06/04/98	100.1250	6.4900
227	Crediop	5.60	06/04/01	99.7900	5.6100
229	World Bank	7⅜	01/19/23	102.8750	7.4100
231	Shangrila Asia	2⅞	12/16/00	84.5000	3.4000
236	Mexico B	6.391	12/31/19	78.0000	8.1900
238	Philippines	6¼	12/01/17	79.8866	7.8200
244	Fannie Mae	7.40	07/01/04	102.5000	7.2200
247	Freddie Mac	6¾	05/30/06	98.0000	6.8900
248	MBL Intl Fin	3	11/30/02	115¾	2.5900
249	Britain	5¼	09/24/96	99.9300	5.2500
250	Bulgaria	2	07/28/12	31.3977	6.3700

Altitude Adjustment for Treasury Yields

Compiled by Our Staff From Dispatches

NEW YORK — Treasury bond prices are likely to fall this week, after strong U.S. employment data released Friday shoved yields into a new and higher trading range.

"We're entering a bear market that will last about six months," said John Burgess at Bankers Trust Global Investment Management. "The new range of bond yields is between 7 percent and 7¼ percent."

The yield on the benchmark 30-year Treasury bond finished last week at 7.03 percent, up from 6.99 percent the previous week and up from 6.90 percent on Thursday. The yield shot up 12 basis points Friday after the government said 348,000 jobs were created in May, far more than most economists were expecting.

"I don't know if it's time to throw the towel in," said Patrick Retzer at Heartland Advisors in Milwaukee. "But certainly this number isn't something you can ignore."

The report fueled growing concerns that, unless the Federal Reserve Board raises bank borrowing costs soon, the economy will start to overheat and inflation will accelerate. The Fed uses its target rate for loans between banks, the federal funds rate, to try to avert increases in both unemployment and inflation.

"Those who have been holding out, saying the economy was going through a short-term spurt and the Fed was going to sit on its hands, are now saying that won't happen," said Harvey Hirschhorn at Stein, Roe & Farnham in Chicago.

But some Fed officials downplayed the importance of the May employment data. William McDonough, president of

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the Federal Reserve Bank of New York, said Sunday there were no signs of the U.S. economy overheating despite the jump in job creation in May.

"I think we are in a stage now where the economy is probably growing at about its capacity, but I am not sure there are any indications that it is growing beyond that," he said in Basel, where he was attending the annual meeting of the Bank for International Settlements.

Janet Yellen, a Federal Reserve Board governor, acknowledged that the jobs gain was stronger than anticipated. But she said the economy was likely to slow in the second half to a more sustainable pace.

"To me the picture is largely one of balance in the economy," she said.

The central bank's policy-making Open Market Committee next meets on July 2. Before that, the bond market and central bankers will have plenty more economic data to digest.

On Thursday, retail sales data for May are due, and analysts expect a healthy increase, given improvements already reported in car and chain-store sales.

Reports on May producer and consumer prices are due Tuesday and Wednesday. Ward McCarthy, managing director at Stone & McCarthy Research Associates, said the report could show a jump as an increase in commodity prices early this year filtered through the economy.

While commodity prices have since retreated somewhat, Mr. McCarthy said, bond traders might sell first and consider mitigating circumstances later if the price data come out higher than expected.

Traders also are starting to fret about the Senate's delay in reconfirming Alan Greenspan as Federal Reserve Board chairman. Bond prices could drop if the market decides politicians are interfering with monetary policy, analysts said. *(Bloomberg, Reuters, Knight-Ridder)*

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Christiania Bank	$150	2008	⅜	99.764	—	Interest will be ⅜ over 3-month Libor until 2003, when issue is callable at par, thereafter 1⅛ over. Fees 0.45%. Denominations $10,000. (SBC Warburg.)
Compagnie Bancaire	$500	2001	1/16	99.812	—	Over 3-month Libor. Noncallable. Fees 0.175%. (Citibank Int'l.)
Compagnie Financière du CIC	$200	2002	⅛	99.965	—	Over 3-month Libor. Callable at par from 2000. Fees 0.20%. Denominations $10,000. (Sanwa Int'l.)
Korea Long-Term Credit Bank	$200	1999	¼	99.90	—	Over 6-month Libor. Noncallable. Fees 0.20%. (Salomon Brothers Int'l.)
Chester Asset Receivables Dealings 2	£240	2003	0.10	100.00	—	Over 3-month Libor. Reoffered at 99.15. Noncallable. Fees 0.26%. Denominations £100,000. (Barclays de Zoete Wedd.)
World Bank	ITL200,000	2001	0.02	100.27	—	Semiannual interest will be 0.02 over 6-month Libor. Reoffered at par. Callable every year at par. Fees 0.35%. (Credito Italiano.)
Fixed-Coupons						
Abbey National Treasury Services	$200	1998	6⅜	100.84	100.00	Reoffered at 99.84. Noncallable. Fees 1⅛%. (SBC Warburg.)
Bayerische Hypotheken und Wechsel Bank	$200	1999	6⅛	100.986	100.00	Reoffered at 99.811. Noncallable. Fees 1⅞%. (ABN-AMRO Hoare Govett.)
Federal Home Loan Banks	$200	1999	6¼	100.00	—	Interest will be 6¼% in first year, after which issue is callable at par, thereafter 7¼%. Fees 0.1875%. Denominations $100,000. (Morgan Stanley Int'l.)
Federal National Mortgage Association	$200	1999	6.45	100.00	97.75	Interest will be 6.45% in first year, after which issue is callable at par, thereafter 7.10%. Fees 0.25%. Denominations $10,000. (Goldman Sachs Int'l.)
General Electric Capital Corp.	$200	1998	6⅛	100.915	99.25	Reoffered at 99.69. Noncallable. Fees 1¼%. (UBS.)
Kredietbank Int'l Finance	$200	1998	6½	101.214	100.15	Reoffered at 99.989. Noncallable. Fees 1¼%. (Nikko Europe.)
Pemex	$300	1998	8	99.714	99.75	Semiannually. Noncallable. Fees 0.375%. (Deutsche Morgan Grenfell.)
Sweden	DM750	2001	5⅛	101.39	99.66	Reoffered at 99.64. Noncallable. Fees 2%. (Deutsche Morgan Grenfell.)
Northumbrian Water Group	£200	2006	8⅝	100.975	—	Reoffered at 99.325. Noncallable. Fees 2%. (Barclays de Zoete Wedd.)
NPI Finance	£100	perpt	9⅝	99.489	—	Noncallable. Fees 0.625%. (Dresdner Bank.)
PowerGen	£250	2006	8½	100.899	—	Reoffered at 99.249. Noncallable. Fees 0.35%. (Barclays de Zoete Wedd.)
Rabobank Nederland	£100	1998	7	101.0746	—	Reoffered at 99.8871. Noncallable. Fees 1⅛%. (National Westminster Bank.)
Sweden	£100	1998	7	101.383	—	Reoffered at 100.183. Noncallable. Fees 1⅛%. (Lehman Brothers Int'l.)
Toyota Motor Credit Corp.	£150	1999	7¼	101.0015	—	Reoffered at 99.814. Noncallable. Fees 1⅛%. (Barclays de Zoete Wedd.)
Crédit Local de France	FF3,000	2002	6	101.65	—	Reoffered at 100.05. Noncallable. Fees not disclosed. (BNP Capital Markets.)
Essilor Int'l	FF800	2006	6⅞	101.175	99.30	Reoffered at 99.60. Noncallable. Fees 2%. (Crédit Agricole.)
Groupe Danone	FF2,000	2004	6½	101.373	99.30	Reoffered at 99.878. Noncallable. Fees 1⅞%. (Banque Nationale de Paris.)
Lehman Brothers Holdings	FF500	1999	5⅝	99.929	99.75	Noncallable. Fees 0.35%. (Banque Lehman Brothers.)
Saint-Gobain Nederland	FF2,000	2001	5⅝	100.922	98.95	Reoffered at 99.322. Noncallable. Fees 1⅝%. (Caisse Nationale de Crédit Agricole.)
ABN-AMRO Bank	ITL250,000	1999	8¼	100.955	99.50	Noncallable. Fees 1⅝%. (IMI Bank.)
Dresdner Bank	ITL200,000	2001	8⅞	101.675	99.97	Interest will be 8⅞% until 1998, when issue is callable at par, thereafter 9.20%. Fees 1⅞%. (Banca Commerciale Italiana.)
Bayerische Hypotheken und Wechsel Bank	DF200	1999	4¾	100.90	99.60	Reoffered at 99¾. Noncallable. Fees 1⅛%. (ABN-AMRO Bank.)
Bayerische Landesbank	DF300	2000	4⅝	100.62	99.04	Reoffered at 99.22. Noncallable. Fees 1⅜%. (ING Barings.)
KFW Int'l Finance	DF 300	2000	5	101.08	99.52	Reoffered at 99.48. Noncallable. Fees 1⅜%. (SBC Warburg.)
Nederlandse Waterschapsbank	DF300	2006	zero	53.45	52.00	Yield 6.47%. Reoffered at 52.20. Noncallable. Proceeds 158 million guilders. Fees 1½%. (ABN-AMRO Bank.)
Nederlandse Waterschapsbank	DF300	2007	6⅝	101.321	—	Reoffered at 99.646. Noncallable. Fees 2%. (ABN-AMRO Bank.)
Rabobank Nederland	DF500	2018	zero	97.00	—	Interest and principal to be repaid in five equal installments starting in 2014. Fees 2¼%. (Rabobank Nederland.)
Kommunekredit	DK600	2001	5¼	101.12	—	Interest will be 5¼% until 1999, 8¼% thereafter. Noncallable. Fees 1⅞%. Increased from 400 million kroner. (Den Danske Bank.)
World Bank	HK$1,000	1999	7	100.2275	—	Semiannually. Noncallable. Fees 0.1875%. (HSBC Markets.)
L-Bank	Y25,000	1999	5.20	100.00	—	Redeemable at maturity in U.S. dollars. Noncallable private placement. Fees 1⅛%. (Daiwa Europe.)
Merrill Lynch & Co.	Y15,000	2001	2.70	100.30	—	Noncallable. Also 2 billion yen, due 1999 and paying 1.97%. Fees 0.30%. Denominations 100 million yen. (Merrill Lynch Int'l.)
Spintab	Y13,000	2001	2.60	100.20	—	Noncallable private placement. Fees 0.25%. Denominations 100 million yen. (Morgan Stanley Int'l.)
Equity-Linked						
Hammerson	£110	2006	6½	100.00	—	Callable at par from 2001. Convertible at £4.356 per share, a 20% premium. Fees not disclosed. (Dresdner Bank.)
Sumitomo Bank Int'l Finance	Y100,000	2001	0.75	100.00	—	Semiannually. Noncallable. Mandatorily convertible into company's shares at 2,255 yen per share. Fees 2½%. Denominations 1 million yen. (Goldman Sachs Int'l.)

The Week Ahead: World Economic Calendar, June 10-14

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Jakarta:** Indonesian Capital Markets Forum, Tuesday and Wednesday at the Shangri-La Hotel. **Earnings expected:** Singapore Telecommunications Ltd., Fraser & Neave Ltd. and Cerebos Pacific Ltd. **Annual meetings:** JR Garments Corp., Straits Steamship Land Ltd.	**London:** International Conference on Futures, Options and Derivatives, Tuesday through Thursday at the Hotel Intercontinental. **Annual meetings:** Danzas Holding AG, Lyonnaise des Eaux SA, Schneider SA, Compagnie de Suez	**Las Vegas:** Newspaper Association of America holds Connections '96, a new media conference, Friday and Saturday at the Las Vegas Convention Center. **Rio de Janeiro:** Americas Telecom conference, through Saturday at the Rio Centro Convention Center.
Monday June 10	**Tokyo:** Ministry of Finance releases current account balance figures and cross-border investments for April; Aggregate profit forecasts for Japanese companies for 1996-97 are released by research departments of major brokerage concerns.	**Basel:** Bank for International Settlements annual general meeting with central bank presidents. **Nuremberg, Germany:** Federal Labor Office releases May unemployment data. **Paris:** Preliminary consumer price index for May.	**Ottawa:** Statistics Canada reports April new housing price index; Prime Minister Jean Chretien is scheduled to meet Prime Minister Alain Juppé of France. **Washington:** Agriculture Department releases weekly report on planting of seven crops.
Tuesday June 11	**Manila:** Philippine Stock Exchange holds forum on changes to the benchmark composite index. **Tokyo:** Real Estate Economy Research Institute releases condominiums offered in Tokyo in May; Economic Planning Agency releases April machinery orders.	**Madrid:** Bank of Spain releases the amount of debt in nonresident hands. **Paris:** May consumer confidence survey. **Bern, Switzerland:** Department of Economic Affairs releases first-quarter gross domestic product.	**Mexico City:** Central bank releases data on foreign-reserve levels. **Santa Ana, California:** Orange County, California, scheduled to emerge from bankruptcy. **Washington:** Labor Department reports the producer price index for May.
Wednesday June 12	**Taipei:** Last day to buy shares in Giant Manufacturing Corp. and receive a 1 Taiwan dollar per share cash dividend. **Tokyo:** News conferences by Yasuo Matsushita, Bank of Japan governor, and Wataru Kubo, deputy prime minister and finance minister.	**Copenhagen:** Danmarks Statistik releases April industrial production. **London:** Unemployment figures for May and wage statistics for April. **Milan:** Prosecutors scheduled to hold preliminary hearing to decide if Fininvest SpA executives will have to stand trial on fraud charges.	**Ottawa:** Statistics Canada reports April new motor vehicle sales. **Washington:** Labor Department reports consumer price index for May; Agriculture Department issues monthly forecast of inventories of wheat, corn, soybeans and cotton before the next harvest.
Thursday June 13	**Tokyo:** Bank of Japan releases May wholesale price index; Tokyo Shoko Research and Teikoku Data Bank, two private research institutes, release April bankruptcies data; Japan Iron and Steel Federation releases May steel production.	**Copenhagen:** Danmarks Statistik releases preliminary March and April retail sales. **Frankfurt:** Bundesbank policy-setting council meets. **Madrid:** National Statistics Institute releases May consumer price index.	**Ottawa:** Statistics Canada reports May consumer price index. **Washington:** Labor Department reports initial weekly state unemployment compensation insurance claims; Commerce Department reports retail sales for May.
Friday June 14	**Taipei:** Last day to buy National Investment Trust Co., a Taiwan investment fund manager, and receive a 10 percent bonus dividend and a 2.60 Taiwan dollar per-share cash dividend. **Tokyo:** Economic Planning Agency releases monthly economic report.	**Copenhagen:** Danmarks Statistik releases March housing starts. **Rome:** Istat releases figures for April industrial production. **Paris:** Treasury releases March and first-quarter balance of payments data.	**Ann Arbor, Michigan:** University of Michigan releases its consumer sentiment report for June. **Washington:** Federal Reserve releases industrial production and capacity utilization for May; Commerce Department reports April business inventories and sales.

Last Week's Markets

Stock Indexes

	June 7	May 31	% Ch'ge
United States			
DJ Indus.	5697.11	5,643.18	+0.96
DJ Util.	209.47	209.96	−0.23
DJ Trans.	2237.41	2,228.00	+0.42
S & P 100	650.01	646.02	+0.62
S & P 500	673.31	669.12	+0.63
S & P Ind	803.53	798.29	+0.66
NYSE Cp	360.61	358.83	+0.50
Japan			
Nikkei 225	21,571.81	21,956.19	−1.75
Britain			
FTSE 100	3,706.80	3,747.80	−1.09
Canada			
TSE Indus.	5137.25	5,246.40	−2.08
France			
CAC 40	2,101.99	2,110.06	−0.38
Germany			
DAX	2,557.43	2,542.80	+0.58
Hong Kong			
Hang Seng	11,196.60	11,264.70	−0.60
World			
MSCIP	776.21	776.18	Unch.

World index from Morgan Stanley Capital Int'l Perspective.

Money Rates

United States		
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds rate	5¼	5⅜
Japan		
Discount	0.50	0.50
Call money	0.41	0.44
3-month interbank	0.59	0.59
Britain		
Bank base rate	5¾	6.00
Call money	5 13/16	6⅛
3-month interbank	5 15/16	6 1/16
France		
Intervention rate	3.60	3.70
Call money	3¾	3¾
3-month interbank	3⅞	3 15/16
Germany		
Lombard	4.50	4.50
Call money	3.45	3.25
3-month interbank	3.37	3.40

Gold	June 7	May 31	% Ch'ge
London p.m. fix.$	386.60	390.55	-1.01

Euromarts

Eurobond Yields

	June 7	May 31	Yr high	Yr low
U.S. $, long term	7.01	6.95	7.01	6.17
U.S. $, mdm term	6.64	6.60	6.67	5.61
U.S. $, short term	6.36	6.31	6.37	5.19
Pounds sterling	7.77	7.80	7.88	6.99
French francs	5.87	5.85	6.38	5.83
Italian lire	8.82	8.93	10.45	8.82
Danish kroner	6.13	6.13	6.51	5.95
Swedish kronor	7.03	7.07	8.55	7.03
ECUs, long term	7.10	7.09	7.50	6.86
ECUs, mdm term	6.02	6.00	6.56	5.89
Can. $	7.30	7.28	7.39	6.56
Aus. $	8.76	8.75	9.04	7.99
N.Z. $	8.97	9.00	9.07	7.04
Yen	2.59	2.59	2.74	2.28

Source: Luxembourg stock exchange.

Weekly Sales

June 6

Primary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	368.0	173.7	1,459.1	1,308.7
Convert.	4.8	—	379.6	28.4
FRNs	301.0	413.5	1,845.7	—
ECP	13,913.9	6,749.7	14,112.0	5,374.1
Total	14,587.7	7,336.9	17,796.4	6,711.2

Secondary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	15,169.3	18,346.5	49,927.4	24,122.6
Convert.	863.1	938.3	3,268.0	1,769.4
FRNs	11,543.9	3,734.4	43,296.2	4,875.6
ECP	12,837.2	13,356.9	17,689.7	26,372.6
Total	40,413.5	36,376.1	114,181.5	57,140.1

Source: Euroclear, Cedel Bank.

Libor Rates

June 7

	1-month	3-month	6-month
U.S. $	5⅜	5½	5 11/16
Deutsche mark	3 5/16	3 5/16	3⅜
Pound sterling	5⅞	5 15/16	6 1/16
French franc	3¾	3 13/16	4⅛
ECU	4 7/16	4½	4⅝
Yen	½	9/16	11/16

Sources: Lloyds Bank, Reuters.

CAREERS

The Executive Male Makeover: Downsizing Is Not Just for Companies

By Amy M. Spindler
New York Times Service

NEW YORK — The shrinkage of the great white-collar institutions over the past five years has endangered a few institutions of another type: the CEO belly, the wizened face of experience, the high forehead of a seasoned intellect, the furrowed brow of the thinking man.

Now, in this age of downsizing, success must feel slightly uncomfortable, a world away from the fat-cat executive style savored by the fathers of today's corporate men.

Executives are taking their hard-earned salaries and applying them in a way that executive-placement firms are endorsing: measures to look younger, with smooth skin, a full head of hair and a taut stomach.

But unlike Calvin Klein underwear models with washboard stomachs, executives looking for jobs — or trying to hold onto them — don't have three hours a day to devote to the gym. What they do have, if they're working in one of these leaner and meaner companies, is more responsibility and the physiques that go with that stress.

They complain about bags under their eyes, wrinkles, graying and thinning hair, rolls in the midsection.

So, as if to prove true the proverb "When one door closes, another opens," downsizing seems to have helped spur a boom in another area: businesses that offer shortcuts for making men look young, healthy and fit.

Call it an era of faux fitness.

As a result, Steven Friedman, 45, a management consultant in Potomac, Maryland, has plenty of companies willing to provide him and others like him with products and services to help them look young and competitive without spending a lot of time.

His shaving cream has aloe to keep his skin moist and ward off wrinkles. He goes to a hair stylist instead of a barber to cut his hair long on top and short on the temples — where the gray is.

He says he is not ashamed of giving in to the same sort of quick-fix cosmetic marketing ploys women have faced for years as they have fought to look young.

"My wife makes fun of me," he said, but "packaging is important."

Michael Lafavore, executive editor of Men's Health, said, "Our parents weren't faced with all these studies by quasi-business experts with messages of how important youthful looks are today." The magazine has reached a circulation of 1.3 million with its well-timed, quick-fix headlines such as "5-Minute Muscle Builders," "Lose 9 Pounds Without Even Trying" and "After-Work Energizers."

"We buy into it, and we're being marketed to heavily," he said. "If anything, companies have discovered men are open to this message, and that opened the floodgates."

That flood has also brought profits to those who provide youth from under the knife. Plastic surgery now offers pectoral implants for under the chest and calf muscle implants to give the leg body-builder shape.

There is liposuction to combat thickening middles and accumulating breast and fatty tissue in the chest. There are a half-dozen surgical methods for tightening skin and temporarily delaying the inevitable aged face.

"There was a time," said Richard Tyler, a men's clothing designer, "when all that men had to combat aging was Grecian Formula," a hair-coloring product. Mr. Tyler is part of a group of designers extending the anti-aging arsenal beyond surgery and exotic products to that staple of business, the suit.

"Because of downsizing, the 50-year-old is in competition with the 30-year-old," said J. Stanley Tucker, vice president and fashion director at Saks Fifth Avenue, who was recently asked to offer a conference about "dressing after downsizing" for Lee Hecht Harrison, a job search firm. His advice: Look current, like young men do. "Customers are coming in wanting to look younger," he said. "They aren't coming in and buying replacement clothes, which is unusual. They really are buying clothes that make them look younger."

The industry is listening to these preferences, devising tricks to cover lumps and to help customers compete with younger men who have grown up with designer suits.

Mr. Tyler even had a show for his "slim suits" at New York's Bergdorf Goodman store, the sort of indulgence once reserved for society ladies. He said many men well over 40 were buying three of the suits at a time.

"Why they like our suit," he said, "is the cut makes you look like you take care of yourself more than you do."

Fear of younger rivals looms large for the age-aware working man. "It's a youth-dominated world," Mr. Friedman said. "The more youthful you look, the better the reception will be" in the workplace.

While serious businessmen once thought that changing fashion was beneath their concern, an outdated suit now raises questions about the wearer's outdatedness in other areas.

With all the new camouflage available, James Kennedy, the publisher of Executive Recruiter News, has a new name for today's job seeker: The Bionic Executive.

"Does he or doesn't he?" Mr. Kennedy said. "From head to toe, today's male executive job-seeker looks more and more like the Bionic Man.

From the hairpiece or dye job through face-lifts and mouth bridgework to tummy tuckers and elevator shoes, the executive in transition can look a dozen years younger. But what will we think of him in the morning before he's had a chance to put his makeup on?"

While people in the cosmetics industry may be smiling at that news, businessmen in other fields are dealing with another equation: Youth equals success.

"A youthful look gives the appearance of a more dynamic, charging individual who will go out and get the business," said Dr. Thomas Romo 3d, who runs the plastic surgery department at the New York Eye and Ear Infirmary. "The concepts downsized corporations are dealing with are lean and mean. They don't want guys who look fat and happy."

INTERNATIONAL RECRUITMENT

An der HOCHSCHULE FÜR ANGEWANDTE KUNST IN WIEN/
Abteilung Bildende Kunst gelangt nach Emeritierung von o.HSProf. Alfred Hrdlicka ab WS 1996/97 die Planstelle eines/r ordentlichen Hochschulprofessors/in als Leiter/in der Meisterklasse für Bildhauerei zur öffentlichen Ausschreibung.
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Frauen werden ausdrücklich aufgefordert sich zu bewerben. Bei gleicher Qualifikation werden Bewerberinnen bevorzugt aufgenommen.
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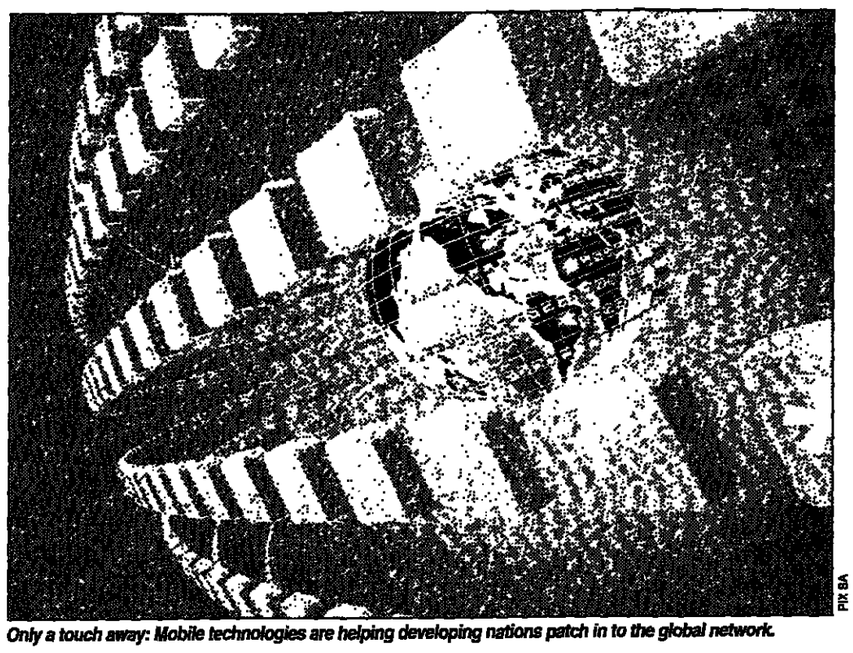
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SPONSORED SECTION

TELECOMMUNICATIONS and DEVELOPMENT



PIX BA

Only a touch away: Mobile technologies are helping developing nations patch in to the global network.

How Global Is the Infrastructure?

Development, technology and liberalization are each driving the growth of integrated communications.

Is the telecommunications industry in the process of developing a global infrastructure? The term conveys the idea of a ubiquitous and uniform superstructure, which belies the current diversity and complexity of the the worldwide network.

According to the International Telecommunication Union, Europe has the highest number of telephones per hundred inhabitants (31.95, while the average for the Americas is 27.92). Yet the European telephone network is a patchwork of national networks whose transborder links are relatively few and whose expensive services subsidize local prices.

Europe's weak international mesh has been highlighted by the ever-rising use of the Internet; in many countries, national computer networks are more often linked by a few pipes to the United States than by several links to each other. This is now changing. The deregulation of telecommunications within most of the European Union's member states in 1998 will mean massive infrastructure investment and lower prices.

Haves and have nots

In the meantime, much of the world's population does not have access to a telephone, never mind other services. Africa has 1.67 telephones per 100 inhabitants (in most sub-Saharan countries the average is 0.29), and prospects for radical improvement are not promising.

In Latin America and Asia, deregulation is progressing apace, and investment is pouring into most countries. For example, Brazil's cellular market has grown at over 100 percent annually since services were introduced in 1990. China, which had 1.5 million mobile-phone subscribers in 1995, is predicted to have 10 million by 2000, as companies like Ericsson of Sweden win contracts to expand digital mobile networks.

It could be argued that countries on these continents, as well as many in Central and Eastern Europe, will benefit from deploying state-of-the-art technology while the West will have to live with its partially antiquated terrestrial infrastructure indefinitely.

Developing countries are in a position to roll out fiber-optic trunk networks, exploit satellite communications and the multifarious mobile technologies, including GSM (Global System for Mobile Communication) and CDMA (Code [or Call] Division Multiple Access). These can be used to support mobile communications or fixed radio access (FRA, or a standard fixed telephone line provided by radio instead of via copper wire) or a combination of the two from the same base station.

Ironically, FRA is also likely to be embraced by operators in developed countries to provide competition in the local loop. A good example of this is Ionica, which last month started the roll-out of FRA in Britain. In the future, FRA will support ISDN (Integrated Services Digital Network) and interactive access to other multimedia services, which in some instances will prove more economical than trying to upgrade first-generation cable systems to handle telephony. The impact of cable modems (which can support transmission speeds of up to 10Mbit/s and a return path of 750kbit/s), however, and the nascent ADSL (Asynchronous Digital Subscriber Line, which also supports high-speed transmission and a return path over existing copper wire) technology, is yet to be seen.

Advanced services over FRA could be employed by developing countries too, moving them in one fell swoop from having a low telephony penetration to being on-line to advanced interactive services.

Such developments have brought into question fixed telephony as we know it. Real-time telephony via the Internet is possible at a fraction of the price of ordinary international calls and IBM's Christian Thommessen recently predicted that there would be 500 million Internet users by the year 2000.

British Telecom and BSkyB are negotiating a joint venture to provide digital television and interactive services in Britain. They intend to subsidize the digital set-top boxes that would link up customers' existing televisions to a BSkyB satellite dish and their (BT) telephone line. Customers would then be able to receive the 200-channel package that BSkyB is to introduce next year, as well as services such as home shopping and banking, fast Internet access and educational material.

The next incarnation

The set-top box is one of the contenders, as is the multipurpose communications device and the personal computer, which itself is being jostled by the advent of the network computer (NC) as proposed by Oracle and 50 other computer companies. They are arguing that the PC is too complex and expensive and will be upstaged by a new generation of NCs, which will cost around $500 as they will not need expensive memory for storage or running programs. Instead, they will tap the intelligence available on the network.

There will be no clear winners in this unprecedented scramble to provide universal, seamless communications across the world; rather, there will be a kaleidoscope of solutions suited to local requirements but linked to the rest of the globe. The failure of the World Trade Organization on the liberalization of global telecommunications in April was a disappointment, but it is unlikely to seriously affect the telecommunications sector's impetus.

Annie Turner

Costs of 'Transparent' Telephony

Telecommunications competition in such major markets as the United States, Britain, Japan and Australia, among others, has lowered costs and paved the way for new services benefiting the customer. A 1994 study by the Organization for Economic Cooperation and Development notes that "the introduction of infrastructure competition has brought substantial benefits to users and public telecommunications operators."

For this reason, among others, the European Union has set the deadline of Jan. 1, 1998 for its members to open up their domestic telecommunications markets to outside competition. Today, ordinary telephone service in Europe may cost two to four times as much as in the United States, and prices vary across the Continent.

The OECD found that 1993 collection charges for a call from Europe to the United States ranged from a low of $.93 from Britain to a high of $2.84 from Spain. Although such charges have dropped in the last three years, there is still a lack of transparency about the way they are determined.

Tariff transparency is complicated because of the way service providers are lowering their long-distance rates to remain competitive in the era of post-national telecommunications monopolies. Some are raising the price of local calls to subsidize the "universal service" that many governments require them to provide.

Economist Alain de Fontenay of the consulting group De Fontenay, Savin and Kiss emphasizes that universal service is simply a transfer of revenue from one class of consumers to another and should be evaluated accordingly. Gareth Locksley, chief economist with Mercury Communications in Britain, argues that "universal service obligations are a deterrent to effective competition, but they are also an opportunity." He notes that price caps, which were introduced in Britain in 1984, are incompatible with flexibility.

According to Nicholas Negroponte, director of the MIT Media Lab, "the entire economic model of pricing in telecommunications is about to fall apart." At present, telecommunications tariffs worldwide are based on time, distance or number of bits transported. Mr. Negroponte points out that "the wild extremes of time (a microsecond to a day), distance (a few feet to 50,000 miles) and numbers of bits (one to 20 billion)" are making such indicators inappropriate.

He suggests that companies begin charging on the basis of "value-added" rather than by minute, mile or bit. But that depends on whether future telecommunications carriers are structured like today's telephone operators or other utility companies, like cable operators or media-publishing conglomerates, or like some other form of service provider still evolving.

Claudia Flisi

Tour the world of communications via the International Herald Tribune

"Tracking Telecoms: A Virtual Tour of the World of Communications" is a multimedia CD-ROM produced by the International Herald Tribune as an extension of the telecommunications megatrends published in seven Sponsored Sections during the Telecom 95 show held in Geneva.

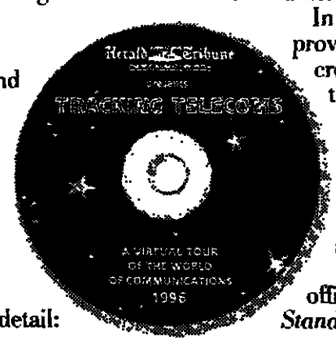
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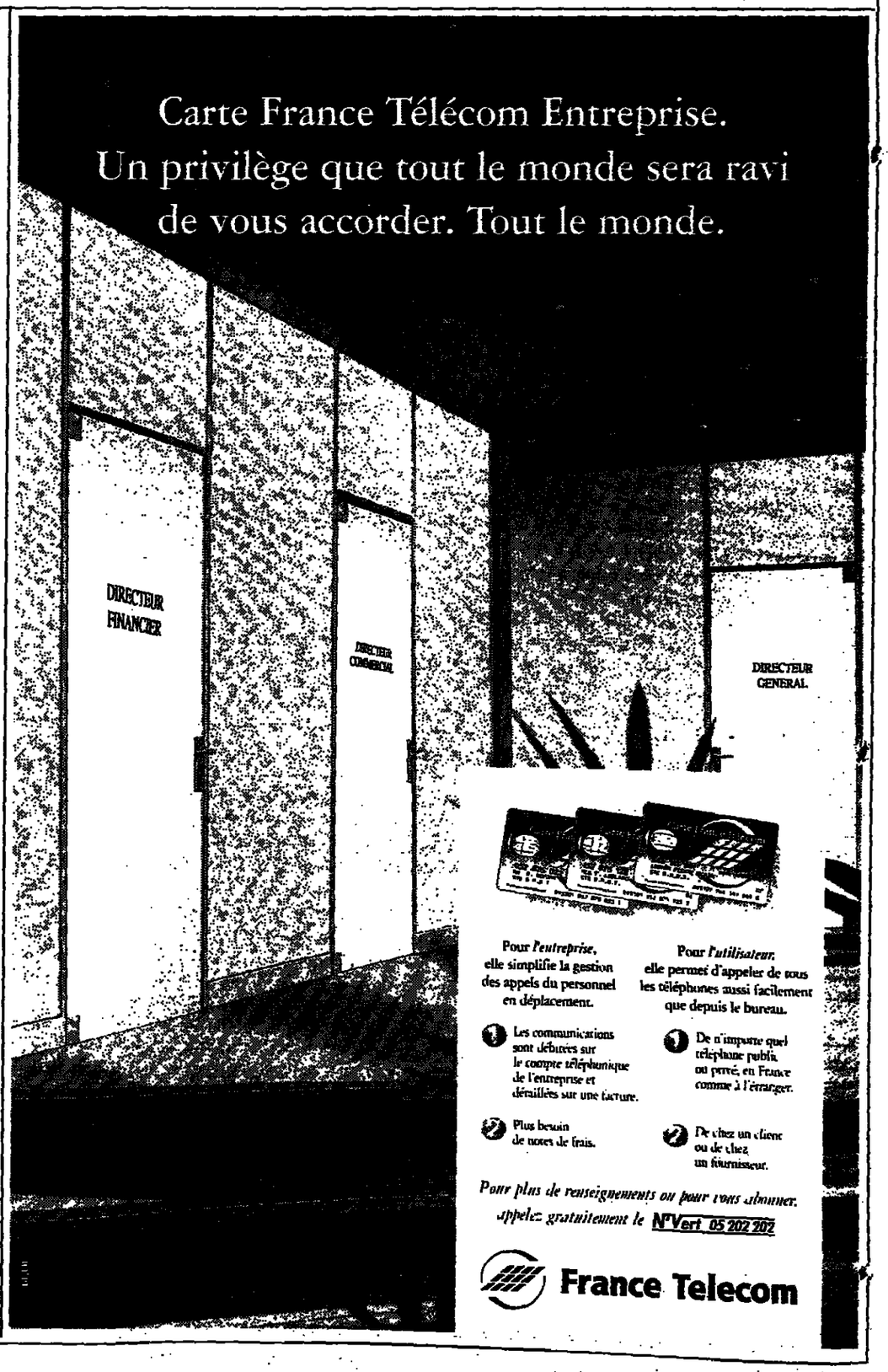
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THE SURVIVAL OF THE BIGGEST AND THE FASTEST

To compete, telecoms companies must evolve...

Grow or die. That used to be the business maxim. Now it's a bit different, particularly for the telecommunications industry. The maxim of 1996: Grow really big, really fast, or die.

The convergence of computing and communications, in tandem with the worldwide movement toward telecommunications deregulation, have triggered a feeding frenzy of takeovers, mergers and alliances in the rush to add more services and products and open new markets.

Some of the alliances are regional in nature. For example, the deregulation of the telecommunications industry in the United States has led to proposed mergers among Baby Bells for telephone service: Nynex and Bell Atlantic on the East Coast from Maine to Virginia, and SBC Communications and Pacific Telesis in California and Texas.

Both of those mergers would partly roll back the breakup of the old Ma Bell monopoly, creating a pair of companies that are worth more than $50 billion each and would presumably be more profitable because of the economies of scale. In each merger, the two companies can link their respective networks for relatively little cost, at the same time integrating their administrative systems into one.

Global gladiators

Meanwhile, the American long-distance giants – AT&T, MCI and Sprint – are competing with some of the larger international carriers, notably British Telecom and its new partner Cable & Wireless, to become truly global telecommunications providers. The race is to make deals with national phone companies from Singapore to Switzerland, and to crack the only remaining growth markets for telephony: developing nations such as those of Eastern Europe, the Indian Subcontinent, Africa, South America, Southeast Asia and – what many regard as the big prize of the early 21st century – China.

There is much more at stake, however, than merely providing basic telephone service in emerging markets. In a sense, the entire world is an emerging market for the wholesale changes that have already begun in the telecommunications industry. The goal is to offer one-stop shopping for telecommunications services: local and long-distance phone calls, television, video-on-demand, data, Internet access and wireless services such as pagers, portable digital assistants and other handheld personal communications devices.

Reinforcements

Since selling a 20 percent stake to BT in 1994, MCI has made a flurry of deals aimed at both widening and deepening its market. Recent examples include the $1.3 billion deal with Microsoft that makes MCI the primary distributor of Microsoft's online network, and the $2 billion investment with News Corporation to build a direct-broadcast satellite network. MCI also recently bought a cellular phone company and a computer systems integrator, and is offering paging services from suppliers.



A territorial imperative: content.

AT&T's 1994 purchase of McCaw Cellular made it the world's largest wireless communications provider, and recent moves include offering unlimited Internet access for $19.95 – free on a one-year trial to AT&T's 80 million long-distance customers – and marketing satellite-broadcast DirecTV, with discounts to AT&T long-distance customers. AT&T, says Chairman Robert E. Allen, intends to become nothing less than the "premier deliverer of a whole range of services: local, long distance, wireless, entertainment."

Trump card

Indeed, entertainment – whether video on demand or surfing games Websites on the Internet – is the new wild card added to the equation. If a telecommunications company can provide the content that consumers want, that is one more arrow in the quiver of services that constitute the sort of one-stop shopping that will keep customers from hopping from provider to provider.

Content is not the only major concern for the future, though. Most decks of playing cards have two jokers, and in the telecommunications industry the other one is bandwidth. Consumers are going to want the kind of fast, smooth links that allow them to order up the latest movie on their home computer-TV or let them send their home videos over the Internet to Grandma.

The vast expense of installing that kind of digital fiber-optic line to homes and businesses has given the cable TV industry, with its special modems that are faster than traditional copper phone lines, an opportunity to get a foot in the door. As a result, cable companies are also joining in the merger melee.

Survival means growth, which means new markets, products and services. Some new markets will be geographic, but more will be based on these products and services – which can be realized only through broader content and broader bandwidth.

Timothy Harper

FIRST STOP: THE PRIVATE SECTOR

In Brazil, privatization is the first step toward dismantling the current monopoly.

Latin America's largest telecommunications system will not be privatized until the turn of the century at the earliest, according to most analysts in Brazil. Although President Fernando Henrique Cardoso has championed privatization of state-controlled companies, he will leave the fate of the nation's 27 government-run telephone companies to the next administration, analysts say.

Selling the *Teles*, as the local companies are known, is taking a back seat to Mr. Cardoso's strategy of improving technology and slowly opening up competition to the private sector. "We don't want to exchange a public monopoly for a private monopoly," Sergio Motta, the communications minister, has said.

So near, yet so far

The slow pace is frustrating for investors, considering the lucrative potential of the market. Currently, the Teles are grouped under a holding company called Telebras and are valued at around $40 billion.

"Everyone agrees that the Brazilian telecommunications market is very promising," says Adalgisa Campos da Silva, an analyst for Opportunity International Investment Services in Rio de Janeiro. "Once it's privatized, investors will see high returns." Indeed, a U.S. Commerce Department report estimates that the Brazilian telecommunications market in goods and services will grow to $15 billion this year, up from $9 billion last year.

Galloping demand

Cellular phones are such a hot item that some consumers are paying up to $5,000 to buy them on the black market. Telebras cannot keep up with the demand, even though it has already sold 1.5 million cellular phones. An estimated 7 million consumers are on waiting lists.

In May the Chamber of Deputies took the first step toward introducing competition in the telecommunications industry by voting to open up cellular phone, satellite communications and data transmission services to private investors. The new law, which still needs Senate approval, allows the private sector to invest in the band "B" cellular service. Band A, the only service currently available in Brazil, will remain a state monopoly. The bill, however, limits foreign control to 49 percent until 1999. Mr. Motta says Brazil should deny majority control to use as a bargaining chip to open foreign markets to Brazilian trade.

Despite that restriction, Federal Deputy Arolde de Oliveira, the bill's sponsor, says private investment in cellular service should reach between $2 billion and $3 billion within a year. For months prior to the congressional vote, Brazilian companies, ranging from paper and shoe manufacturers to newspapers and banks, jockeyed for position in the cellular market by forming partnerships with foreign concerns. Currently, there are 16 such consortiums, including a partnership between the U.S. communications giant AT&T, Brazil's Globo broadcasting company and the Bradesco bank. Other interested U.S. companies joining up with local partners include the Bank of America, Southwestern Bell, Bell South and Motorola.

Big numbers

By 1998, experts predict that these consortiums will have invested $4 billion and sold 6.5 million cellular phones. By 2003, an estimated 17.2 million cellular phones are expected to be in circulation. By that time, the next government may have privatized the first of its Teles in an effort to improve local and long-distance service. Brazil has only 8.5 telephones per 100 inhabitants in a country of nearly 160 million inhabitants. Although there are 12 million lines, about 10 million Brazilians are currently waiting for installation.

"The government doesn't want to transfer the state monopoly to the private sector, but they just can't meet the demand," says Ana Novaes, a telecommunications analyst for the São Paulo-based Banco de Investimentos Garantia. "Privatization will come."

Jack Epstein

"TELECOMMUNICATIONS AND DEVELOPMENT"
was produced in its entirety by the Advertising Department of the International Herald Tribune.
WRITERS: *Jack Epstein is a freelance writer based in Rio de Janeiro. Claudia Flisi is a business writer based in the South of France. Timothy Harper is a writer and lawyer who frequently covers international business. Annie Turner is a British-based writer who specializes in telecommunications.*
PROGRAM DIRECTOR: *Bill Mahder.*



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ERICSSON

In Lisbon For Business

LISBON HAS A LONG AND distinctive patrimony. Today, the city is a bustling capital that looks to Europe for its future.

At a Glance

Lisbon is built on hills facing the estuary of the River Tagus. Business Lisbon is compact, and most of the outstanding restaurants are located in the city center. The easiest way to visualize the city is to imagine one is landing from the Tagus at the Estaçao Fluvial Sul e Sueste.

To the right, rising steeply to a peak, is what remains of early Lisbon, the picturesque and crowded Alfama neighborhood, topped by St. Jorges Castle, of Roman, Moorish and Visigoth origin. This was the old Moorish and Jewish quarter.

Straight ahead is the "new" city. The huge Praça do Comércio (Commercial Square), open to the sea at the front, is flanked by impressive, pinkish buildings and leads through arches to another vast square, the Praça Don Pedro IV, known as the Rossio. The area between, the Baixa, is the central commercial, banking and shopping district.

Back to the waterfront. Left, looking inland, are hills and a maze of streets, some of them extremely steep. This is the Bairro Alto, home of *fado* houses and some of Lisbon's best restaurants. Looking sharply left, the coast stretches along the Tagus to Estoril and Cascais, two fashionable resorts, the first with an elegant casino.

Now turn your back on the city of Lisbon and look across the river's broad mouth. These are some of the city's most important suburbs. There are also some good, crowded and noisy popular restaurants specializing in fish and seafood.

Getting Around

Lisbon has a subway system, the Metropolitano, and buses and streetcars. Most are crowded; all are cheap.

Taxis are plentiful, except when you need them, and relatively inexpensive. Many drivers speak some English. Metered fares do not include a tip: add about 10 percent. For journeys out of town, there are plenty of limos. Ask your hotel concierge to negotiate a price – and then try to bargain it down. You don't need to add a tip to the agreed fare.

We do not recommend taking a taxi – or driving yourself – along the coastal highway, the Marginal, to Estoril and Cascais. Recent studies have shown it to be one of the most dangerous highways in Europe. Instead, take the new A5 toll road or try the fast, frequent commuter trains, which start from a station near the ferry-port on the river. The train offers a magnificent view of the sea.

In a Word

Portuguese resembles both Spanish and Italian in written form but sounds entirely different when spoken. Most native speakers swallow whole syllables, so that *vinho tinto* (red wine) becomes *vin tint*. A surprisingly high proportion of Portuguese speak English.

Wining & Dining

Portugal prides itself on its gastronomy and offers a wide variety of dishes, most of which are earthy and filling.

Lisbon's best restaurants honor Portuguese traditions while refining the recipes. Fish and seafood are tasty and fresh.

Wines are an adventure. The very best – which are not cheap – rival those of France, Italy and Spain. And, of course, Portugal is the home of – you guessed it – port. You can drink a white port as an aperitif, but it is better to wait until the end of a meal for the red. Another good aperitif is Madeira, although it is usually drunk as a dessert wine.



PIX BA

Tips are not included in the check, so an extra 10 percent should be added to restaurant or bar bills. Tip café waiters and parking lot or toilet attendants from 50 to 100 escudos.

Aviz, 12B Rua Serpa Pinto. Tel.: 342-8391. A Belle Epoque restaurant of extraordinary distinction, the best in Lisbon in our view. Lapped in luxury, guests are served food of outstanding quality by a staff that cannot be faulted.

Bonjardim, 10 and 11 Travessa de Santo Antao. Tel.: 342-7424. Two bustling restaurants facing each other and offering wonderful value. *Frango na brasa* is the high point: charcoal-grilled chicken accompanied by a fiery chili sauce.

Bota Alta, 3 Travessa da Queimada. Tel.: 342-7959. A cheerful bistro in the bohemian Bairro Alto quarter. Not for a serious business lunch, but definitely for relaxation after a day of successful negotiations.

Casa da Comida, 1 Travessa das Amoreiras. Tel.: 388-5376. A rising star in the Lisbon gastronomic galaxy, said by many to serve the best international cuisine. Tables set around a charming enclosed garden.

Club dos Empresarios-Antonio Clara, 46 Av. da Republica. Tel.: 796-6380. Situated in an elegant 19th-century mansion. Famous for delicious fish and for its wine cellar. Piano bar open till 2 A.M.

Conventual, 44 Praça das Flores. Tel.: 609196. Delicacies are based on convent and monastery recipes dating back to the 1500s. No bread-and-water diets here.

Cozinha Velha, Palacio de Queluz. Tel.: 435-0232. The former royal kitchen has been turned into an interesting restaurant, with high stone arches, walk-in fireplace and walls lined with gleaming copper utensils. Fine Portuguese and other European dishes.

Gambrinus, 25 Rua das Portas de Santo Antao. Tel.: 342-1466. Many small rooms where fish and crustacea famous for their quality and variety are served. Open, blue-tiled kitchen. Popular with the business crowd.

Mercado do Peixe, Estrada Casal Pedro Teixeira, Vila Simao, Caramao de Ajuda. Tel.: 363-6942. Fish is carted in straight from the market. You choose your own fish from a display, it is cleaned in front of you, cooked on a huge charcoal grill and seasoned with the house's secret sauce. Other specialties: homemade *pao de chourico* and *pasteis de nata*. Walls covered with *azuleijos* (decorative tiles).

Pabe, 27 Rua Duque de Palmela. Tel.: 353-5675. English pub-style decor: dark wood paneling, solid comfort. Top lunchtime venue for executives, politicians, newspaper editors and media people.

Papa 'Açorda, 57 Rua Atalaia. Tel.: 346-4811. *Açorda* is a hard-to-describe combination of seafood, bread and eggs. Potted palms, air-conditioning, friendly service, reasonable prices.

Rosa dos Mares, 110 Rua de Belem. Tel.: 364-9275. Located between Jeronimos Monastery and Belem Palace. Specializes in fish and seafood. Soft colors, bamboo furniture and a pleasant atmosphere.

Tagide, 18 Largo da Biblioteca Publica. Tel.: 342-0720. A great view of the Tagus estuary, good food and exemplary service.

Tavares, 37 Rua da Misericordia. Tel.: 342-1112. Mirrors, crystal, and brocades decorate Lisbon's oldest restaurant. We've noticed a decline in quality, but the restaurant remains popular with businesspeople. Expensive.

Varina da Madragoa, 34 Rua Madres. Tel.: 396-5533. A traditional tavern converted into a restaurant, close to the legislative assembly, the Palacio Sao Bento. Simple, traditional fare served politely. Popular with embassy officials and journalists.

Calling Around

Country code: 351. City code: 1. The quality of the telecommunications system is still patchy, but has improved. With a cellular phone, a caller has a chance of reaching 90 percent of the population – as well as other parts of Europe.

A telecom office and a series of trailers offer telecommunication services to the public. Telephones are finally changing to the digital system, and practically everyone works with a fax machine.

- **Emergencies:** 115.
- **Hospital:** 860131/873131.
- **Police:** 366141.
- **Automobile Club:** 563931.
- **Auto breakdown:** 942-5095.
- **Airport:** 802060.
- **TAP city:** 575020.
- **Conventions:** 352-5805.
- **Tourist info:** 346-3643.
- **Railways:** 876025.
- **Radio taxis:** 793-2756/828016.

Excerpted from the "International Herald Tribune Guide to Europe" (third edition, NTC Publishing) by Alan Tillier and Roger Beardwood.

"BUSINESS TRAVEL WITH ITT SHERATON" *was produced in its entirety by the Advertising Department of the International Herald Tribune.*
PROGRAM DIRECTOR: *Bill Mahder.*

Next Location

VENICE LIDO

A HILLTOP VIEW OF LISBON FROM ITT SHERATON

ON ONE OF THE SEVEN HILLS of Lisbon, the five-star Sheraton Lisboa Hotel and Towers overlooks the picturesque, hilly streets of the country's capital, with breathtaking views of the magnificent Saint Jorges Castle, the old quarters of Bairro Alto and Alfama, and the River Tagus and its elegant suspension bridge.

The modern design of the high-rise hotel offers a pleasing contrast to the city's historic quarters, with their colorful, tile-roofed houses and Moorish influences. The hotel's location provides easy access to Lisbon's business center, the Park Eduardo VII, fashionable shops, many museums and cultural centers, and exciting nightlife. The Estoril Coast is only 25 kilometers away.

Each of the Sheraton Lisboa's 384 luxurious and comfortable rooms has a spectacular view of the city or the harbor of this seafaring center. Guests staying in the 86 Tower rooms and suites have access to extra privileges and amenities, including an exclusive reception desk, a lounge, evening bar service, a welcome gift and bathrobe and slippers in the room, and a daily newspaper delivered to the door.

Discover Lisbon

Take advantage of the Sheraton Lisboa's special summer package, which includes:

- *Buffet breakfast.*
- *The "Lisboa Card": free one-day access to public transport and 26 museums.*
- *Complimentary in-room fruit basket.*
- *Welcome cocktail.*
- *6 P.M. checkout.*
- *Free accommodation for children under 12 staying with 2 adults.*

Call ITT Sheraton Reservations or your travel agent and ask for the Discover Lisbon offer. Some restrictions apply.

Located only 9.5 kilometers from the airport, the hotel is ideal for both tourists and business travelers. Facilities for the latter include meeting rooms that can accommodate between 10 and 500 people. One of them, the rooftop Panorama Room, has dazzling views of the city. Banquets can also be arranged, but whatever the event, the helpful Sheraton staff will be there to assist in its organization.

When it's time to relax, the Sheraton Lisboa offers a full complement of activities in its well-equipped health club, which houses a gymnasium, sauna and swimming pool.

There is also a wide range of in-house dining choices. Formal dinners at the Alfama Restaurant offer grilled specialties and international gourmet cuisine. The Caravala Restaurant, open for everything from breakfast to a late supper, serves casual meals and buffets.

The 23-story Sheraton Porto, located in the heart of the financial center, has 251 rooms, including a Presidential Suite, 14 Executive Suites and 42 Executive Rooms. With its health club, indoor swimming pool, squash court, gym, sauna, jacuzzi, meeting rooms, restaurant and bar, it offers everything a business traveler or tourist could desire.

Sheraton Lisboa Hotel & Towers: Tel.: (351-1) 575757. Fax: (351-1) 547164.

Sheraton Porto Hotel: Tel.: (351-2) 606 8822. Fax: (351-2) 609 1467.

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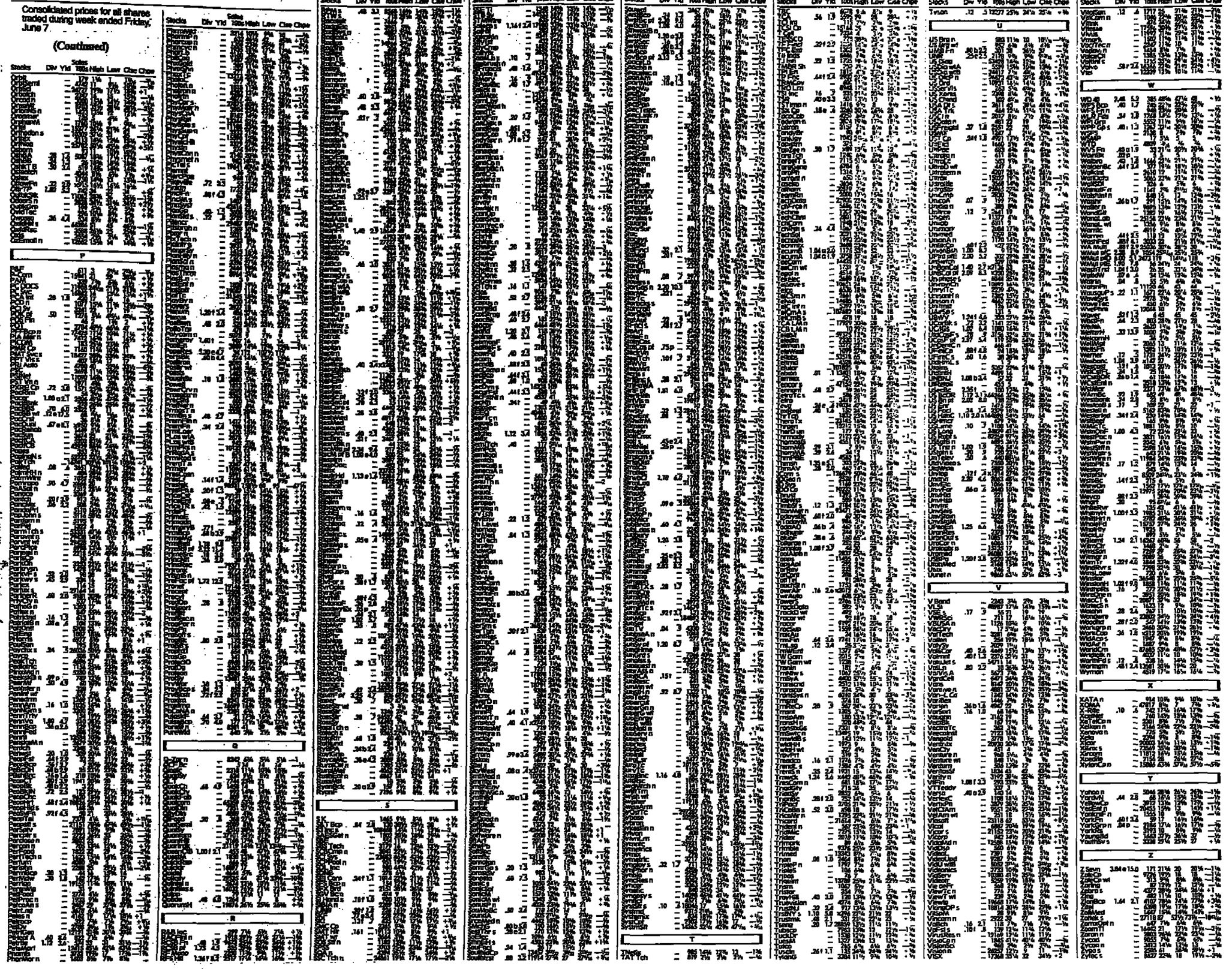
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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, June 7.

(Continued)



DENNIS THE MENACE



"I THINK IT'S COOL WHEN SHE MAKES THE ORGAN SOUND LIKE A 747!"

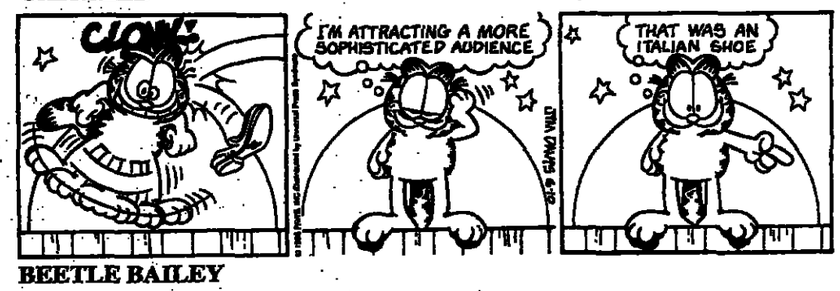
PEANUTS



CALVIN AND HOBBES



GARFIELD



WIZARD of ID



BEETLE BAILEY



THE FAR SIDE



"Stay away from that character down there, Barb — he's poison for sure."

DOONESBURY



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

MYPTE

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CLOPIE

YAXTIL



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: _____ _____

(Answers tomorrow)

Saturday's Jumbles: GULCH PIKER OUTLET LETHAL
Answer: What the barber gave the tycoon's son — A HEIR CUT

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SPORTS

Editor's Note Takes Belmont By a Length

By Joseph Durso
New York Times Service

BELMONT, New York — Editor's Note outran Skip Away and the filly My Flag to win the Belmont Stakes.

The one-length victory on Saturday was the third straight Belmont triumph for horse owner D. Wayne Lukas, bringing him within two victories of matching the record of five straight set by Woody Stephens in the 1980s. Lukas's horses have won seven of the last eight Triple Crown races, a string broken only by this year's Preakness.

The race ended a losing streak for Editor's Note, an excitable colt who had lost nine races in a row going back to last September. But in the 128th running of the Belmont, he came barreling through the homestretch to catch Skip Away in the final furlong. The Preakness winner, Louis Quatorze, finished fourth.

Lukas also entered the highly regarded Prince of Thieves with premier jockey Jerry Bailey riding, while Editor's Note was handled by Rene Douglas.

The race drew a big field of 14 because no dominant 3-year-old had surfaced and because the distance did not seem so foreboding. In the past, the Belmont sometimes suffered from a shortage of horses who might last a mile and a half. But the diuretic Lasix was made legal in New York state last September as a medication that might stifle pulmonary bleeding, and that opened the gates to some horses whose trainers might otherwise not risk running a long and punishing race.

■ Shaamit Wins English Derby

Shaamit won the English Derby at Epsom on Saturday. Dushyantor was second, one and a quarter lengths back, and Shantou was third. Shaamit was trained by Willie Haggas, the son-in law of Lester Piggott, a former jockey who won the race nine times.

Piggott, 60, spotted the lightly raced colt's potential in a spring canter and gave jockey Michael Hills tips on how to ride one of the world's most difficult tracks with its unique twists and turns.

"Lester told me to stay on the inside, but I broke his rule," said Hills. "I had to pull wide or I wouldn't have got a run."

• At Chantilly, France, Sil Sila, an English horse, ridden by Cash Asmussen, an American jockey, swept from 10th to first in the final 250 meters on Sunday to win the French Oaks, the fillies' classic, Reuters reported. Sil Sila prevailed by a length over Miss Tahiti. Matiya, winner of the Irish 1,000 Guineas race, placed third, two and a half lengths back.

Graf Laughs Through the Crying Game



Lionel Cironneau/The Associated Press
An emotional Steffi Graf held her trophy after winning the French Open.

By Ian Thomsen
International Herald Tribune

PARIS — In the third set of a draining, unpredictable and altogether monstrous French Open final, Steffi Graf laughed.

"Feeling the crowd and feeling the intensity, I felt like laughing, even though I was trying to tell myself 'don't laugh, don't laugh,' " Graf said after her 6-3, 6-7 (4-7), 10-8 defeat of fourth-seeded Arantxa Sánchez Vicario in 3 hours, 3 minutes on Saturday. "But I just felt like it."

Graf had stood just three points from finishing off Sánchez Vicario in the second-set tiebreaker. But she lost those three, plus three more — six in a row, the last five her own fault — and Sánchez Vicario came bouncing to her chair and shooting glances at Graf. Underneath the calm, Graf intimated later, she felt more like crying.

"I just got real tight and nervous, and until then I thought I was really playing well and I felt pretty confident," Graf said. Did she feel as if she had lost? "I really did."

At 40 games, this was the French Open's longest women's final, but Graf never would have reached such personal heights if the majority of the 17,000 fans hadn't helped her there.

Graf is often criticized in the press for expressing little emotion, but audiences have grown to see through that. Over 14 professional years, they have watched her grow up, seen how nervous she has been when accepting each of her 19 Grand Slam singles titles. Those victories place her No. 1 in the open-professional era and put her into a second-place tie overall with Helen Wills Moody, five titles behind Margaret Court.

The public knows her through all of the private, vulnerable details that sell newspapers; they understand her as they think they understand movie stars from the roles they play. The crowd was rallying behind Graf in the third set even as the ultimate underdog — the tiny, resilient Sánchez Vicario — was moving twice within a point of seizing the match.

Through the first six games of the final set, Sánchez Vicario had been running circles around Graf, measuring and taunting her. The seventh game was comparable to the battle fought between these same players at 5-5 in the third set of last year's Wimbledon final, which went Graf's way after 13 deuces.

Now, down one break already, Graf double-faulted to deuce. On the first break point, Graf's signature forehand almost betrayed her as it had throughout the set, just catching the baseline. Sánchez Vicario turned the crowd against her for good when she asked the umpire to check the ball mark. No sooner was it quiet than Graf double-faulted again, this time restoring deuce with a shorter, easier forehand.

She was bobbing in the waves of public support. There were two more rallies and Graf won both for the crucial game, the second point coming on a lob and a volley.



Benny de la Mauviniere/AP
Arantxa Sánchez Vicario wept.

"I was saying, 'Come on, get this one, otherwise you can go home,' " Graf said. "If I would have been down 5-2, I think that would have been it."

They were well into the third hour when Sánchez Vicario first tried to serve out the match. Before she knew it, she was losing the second break point as Graf knocked her from one corner to the other. Sánchez Vicario gave herself another chance after breaking Graf in the 13th game, but Graf broke right back at love.

Her name was beginning to swirl in a chant around the stadium — "Steffi, Steffi" — and, even if she had gone on to lose, Graf said, it would not have disappointed her as much as similar defeats, including the final set she lost in 10-8 to Seles in 1992.

But Graf didn't have to think in those terms; she broke for the match as Sánchez Vicario finished with three uncharacteristic errors from the baseline. "Even if it made me a little bit more nervous, it was just so special to be out there," Graf said of the cheering, which she described as maybe the most supportive of her career. "I have had so much fun today."

Sánchez Vicario wept after trying so hard with so many people rooting against her in a tournament where she has twice been champion. Graf cried as well, after giving thanks to her father. He is imprisoned in Germany on charges of evading taxes with her income. Later, Graf said she had been unable to reach him by phone during the tournament.

Graf turns 27 this week, but she won't have a big party, she said, for this obvious reason: The celebration has already taken place. It may have been the first such public party, for all of her success, that she has ever known.

Australia Thrashes Wales

Reuters

BRISBANE, Australia — Australia scored a try in the first minute to set the tone for a 56-25 drubbing of Wales in the first rugby-union test at Ballymore on Saturday.

In a game riddled with mistakes on both sides, Australia scored seven tries before a spirited Wales comeback that resulted in three second-half tries.

Joe Roff scored the first try after 54 seconds and, after such a good start, the Wallabies seemed on course to better their previous test victory against Wales, a 63-6 thumping in 1991 that was the biggest defeat by a Welsh side in tests.

Marco Caputo, David Wilson, Daniel Manu, Pat Howard, Alistair Murdoch and Garrick Morgan scored one try each for Australia. Matt Burke kicked 21 points. For Wales, Wayne Proctor, Hemi Taylor and Gareth Llewellyn scored tries and Neil Jenkins kicked 10 points.

• Scotland scored an unconvincing 31-21 victory over Southland in the fourth match of their rugby- union tour of New Zealand at Invercargill's Homestead Park on Saturday.

Triumphs For Tonkov And Indurain

Compiled by Our Staff From Dispatches

MILAN — Pavel Tonkov of the Panaria team became the second Russian in three years to win the Giro d'Italia on Sunday.

At the completion of the 3,990-kilometer (2,480-mile) race, which began in Athens and ended in the Parco Sempione in Milan after more than 100 hours of racing, Tonkov was two minutes and 43 seconds ahead of Enrico Zaina, an Italian racer with the Carrera team. Abraham Olano of Spain and the Mapei team followed in third place.

Sergei Outchakov of the Ukraine and the Polti team won the 22d and final stage, a 176-kilometer run from Sondrio, Italy, that ended in a sprint finish among a five-man breakaway.

Tonkov virtually had the race won after putting nearly three minutes between himself and Olano in Saturday's stage in the Dolomite mountains. Zaina finished 2 minutes 43 seconds behind Tonkov. Olano was another 14 seconds back. Tonkov had taken charge of the race on the 13th stage and had worn the leader's pink jersey every day since except one — when Olano was judged the leader by an unprecedented 46 hundredths of a second on Friday.

The first real attack of the final stage did not come until the pack had reached Milan. Michael Clans Moller broke away in the city center to arrive unchallenged for the first of seven high-speed loops around the park.

He was soon chased down by a group of five. With four laps to go, the pack was nearly a minute adrift of the breakaways who kept their average speed well above 30 miles an hour. As the riders fanned out near the end, Outchakov burst to the front and swept across the line ahead of Sivakov Teteriuk.

The competition was hurt by the decisions of several leading riders, including Miguel Indurain, Laurent Jalabert, Tony Rominger and Lance Armstrong, to miss the race in order to concentrate on training for the Tour de France, which begins June 29.

• Indurain, of Spain and the Banesto team and a five-time winner of the Tour de France, won the Criterium du Dauphiné race on Sunday after finishing sixth in the seventh and final stage in Grenoble, France.

Luc Leblanc, of France and the Polti team, was the first to cross the line at the summit of the Bastille above Grenoble. Rominger, who rides for the Mapei team, was a few seconds behind, followed by Fernando Escartin of Spain and the Kelme team. Jalabert, the world champion, pulled out of the race after a fall. He was in second place overall at the time. *(Reuters, AFP)*

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
New York	33	24	.579	—
Baltimore	32	25	.561	1
Toronto	26	34	.433	8½
Boston	24	35	.407	10
Detroit	15	46	.246	20

CENTRAL DIVISION

	W	L	Pct.	GB
Cleveland	39	20	.661	—
Chicago	38	21	.644	1
Minnesota	29	30	.492	10
Milwaukee	27	31	.466	11½
Kansas City	28	33	.459	12

WEST DIVISION

	W	L	Pct.	GB
Texas	37	23	.617	—
Seattle	31	28	.525	5½
Oakland	28	32	.467	9
California	27	32	.458	9½

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	38	21	.644	—
Montreal	34	26	.567	4½
Florida	30	30	.500	8½
Philadelphia	28	31	.475	10
New York	25	34	.424	13

CENTRAL DIVISION

	W	L	Pct.	GB
Houston	31	31	.500	—
St. Louis	29	31	.483	1
Pittsburgh	27	34	.443	3½
Chicago	26	34	.433	4
Cincinnati	22	32	.407	5

WEST DIVISION

	W	L	Pct.	GB
San Diego	36	25	.590	—
Los Angeles	32	30	.516	4½
San Francisco	30	29	.508	5
Colorado	29	29	.500	5½

FRIDAY'S LINE SCORES

AMERICAN LEAGUE

Milwaukee 302 200 000—7 14 1
Boston 100 020 24x—10 10 0
Miranda, Baze (6), Garcia (8), Wickander (8) and Matheny; Wakefield, Moyer (4), Garces (7), Slocumb (9) and Stanley. W—Garces, 1-2. L—Garcia, 1-2. Sv—Slocumb (20). HRs—Milwaukee, G.Vaughn (13). Boston, Canseco 2 (18), Naehring (9), Stanley (6), Jefferson (5).

Chicago 120 300 300—9 14 0
Baltimore 100 000 010—2 11 0
A.Fernandez and Karkovice; Erickson, Orosco (7), A. Rhodes (9) and Hoiles. W—A. Fernandez, 6-3. L—Erickson, 3-5. HRs—Chicago, Phillips (6), Ventura (13), Karkovice (4). Baltimore, R. Alomar (10).

New York 010 031 000—5 10 1
Detroit 011 100 201—6 13 2
Mendoza, M. Rivera (7), J. Nelson (9) and Girardi, Leyritz (5); Br.Williams, M. Myers (7), R. Lewis (7) and Casanova. W— R. Lewis, 2-4. L— J. Nelson, 1-2. HR— New York, Sierra (7).

Seattle 102 020 000—5 6 0
Kansas City 231 301 10x—9 13 1
Wolcott, Menhart (4) and D. Wilson; Belcher, Valera (1), Pugh (5), Jacome (8), Pichardo (8) and Macfarlane. W— Valera, 3-1. L— Wolcott, 4-6. HR— Kansas City, Nunnally (1).

California 000 016 011—3 4 2
Cleveland 022 000 00x—4 6 0
Boskie and Slaught; J.McDowell, Mesa (9) and S. Alomar. W—J. McDowell, 6-4. L—Boskie, 7-2. Sv—Mesa (21). HRs—California, Slaught (5), Velarde (4). Cleveland, Thome (11).

Toronto 003 001 300—7 11 1
Texas 500 212 00x—10 13 1
Janzen, Ware (6) and S. Martinez; Pavlik, Heredia (7), Vosberg (7), Russell (8), Henneman (9) and I. Rodriguez. W—Pavlik, 8-1. L—Janzen, 3-2. Sv—Henneman (17). HR—Toronto, C. Delgado (9), Sprague (15).

Oakland 210 101 010—6 9 1
Minnesota 000 200 020—4 12 0
Chouinard, Van Poppel (7), Reyes (4), Groom (7), Taylor (8), Corsi (9) and Steinbach; Go.Williams (9); Radke, Bennett (8), Mlicki (8), Hansell (8), Guardado (9), Naulty (9) and G. Myers. W—Reyes, 4-8. L—Radke, 4-6. Sv—Corsi (2).

NATIONAL LEAGUE

Montreal 000 005 004—9 13 1
Chicago 000 002 001—3 6 1
Fassero, Dyer (9) and Webster; F.Castillo, M. Perez (6), D. Jones (8), Myers (9), B. Patterson (9), Servais. W— Fassero, 5-5. L— F. Castillo, 1-8. HR— Chi, L. Gomez 2 (10).

Florida 002 110 700—12 19 1
New York 110 000 000—2 10 0
A.Leiter, Powell (7), Y. Perez (8), Te.Mathews (9), C. Johnson; Harnisch, Minor (6), DiPoto (7), MacDonald (7), Hundley, W— A. Leiter, 8-4. L— Harnisch, 4-4. HR— FL, Dv.White (3). N.Y., Huskey (4).

Philadelphia 200 010 200—5 8 3
Houston 022 001 00x—11 13 0
Crawford, Borbon (4), Stoefer (5), Leiper (7) and Lieberthal; Reynolds, Hartgraves (8) and R. Wilkins. W—Reynolds, 8-3. L—Crawford, 0-1. HR—Phila., Benjamin (4). Houston, Bagwell (19), D. Bell (7).

Atlanta 302 210 000—8 12 1
Colorado 022 350 78x—19 21 1
G.Maddux, Borbon (4), Bielecki (5), Wade (5), Clontz (7), McMichael (8) and J. Lopez.

Perez (7); Freeman, Painter (4), S. Reed (8), Holmes (9) and Je.Reed. W—Painter, 3-1. L—Bielecki, 0-2. HRs—Atlanta, Klesko (19), J. Lopez (9). Colorado, Bichette (8).

Pittsburgh 300 200 104—10 13 0
San Diego 000 000 000—0 6 2
Z.Smith and Kendall; Bergman, S. Sanders (6), Villone (8), Ti.Worrell (9), Florie (9) and B. Johnson. W—Z. Smith, 4-3. L—Bergman, 3-6. HR—Pittsburgh, King (14), Merced (8).

Cincinnati 000 200 000—2 7 0
Los Angeles 000 000 001—1 7 1
Smiley, Le.Smith (8), J. Brantley (9) and Taubensee; I.Valdes, Radinsky (8), Te.Worrell (9) and Piazza. W—Smiley, 5-6. L—I. Valdes, 6-4. Sv—J. Brantley (14). HR—Los Angeles, Blowers (4).

St. Louis 001 002 060—9 13 0
San Francisco 012 006 010—4 8 1
An.Benes, Honeycutt (8), T. J.Mathews (9) and Pagnozzi; M.Leiter, Fernandez (7), DeLucia (8), Bautista (9) and Manwaring. W—An.Benes, 3-7. L—Fernandez, 3-5. HR—St. Louis, B. Jordan (5), Sweeney (3). San Francisco, Carreon (8).

SATURDAY'S LINE SCORES

AMERICAN LEAGUE

California 000 000 000—0 6 2
Cleveland 012 100 10x—5 10 0
Finley, James (7), McElroy (8), Hancock (8) and Fabregas; Hershiser, Tavarez (8) and Pena. W—Hershiser, 5-4. L—Finley, 7-4. HR—Cleveland, M. Ramirez (13).

New York 101 030 002—7 12 0
Detroit 314 000 01x—9 13 2
Rogers, Wickman (3), J. Nelson (7) and Leyritz; Urbani, Olson (5), Walker (8), M. Myers (9), R. Lewis (9) and Flaherty. W—Olson, 1-0. L—Rogers, 4-2. Sv—R. Lewis (2). HRs—New York, M. Howard (1), Be.Williams 2 (10), T. Martinez (9).

Chicago 200 000 000—2 11 1
Baltimore 001 000 000—1 9 1
Baldwin, Karchner (6), L. Thomas (7), Simas (8), R. Hernandez (9) and Kreuter, Karkovice (6); Mercker, Mills (7), R. Myers (9) and Zaun. W—Baldwin, 6-1. L—Mercker, 3-4. Sv—R. Hernandez (18).

Oakland 001 000 100—2 7 1
Minnesota 001 102 00x—4 10 0
(First Game)
Wojciechowski, Taylor (8) and Steinbach; Robertson, Trombley (7), Guardado (9) and Durant. W— Robertson, 2-7. L— Wojciechowski, 5-3. Sv— Guardado (2). HR— Minnesota, Meares (5).

Oakland 020 060 104—13 14 1
Minnesota 100 202 002—7 14 0
Wasdin, Groom (6), Corsi (8), Van Poppel (9) and Go.Williams; Mahomes, Hansell (5), Mlicki (7), Bennett (9) and G. Myers. W—Wasdin, 3-0. L—Mahomes, 1-4. HRs—Oakland, Gates (2), Berroa (14), Lovullo (3), Go.Williams (2). Kansas City, Stahoviak (5).

Milwaukee 000 000 020 1—3 6 0
Boston 010 000 100 0—2 9 4
Karl, Baze (7), Lloyd (8), Fetters (10) and Lewis; Matheny (7); Clemens, Stanton (8), Hudson (8), Gunderson (10), Garces (10) and Haselman, A. Delgado (10). W—Lloyd, 2-2. L—Hudson, 0-2. Sv—Fetters (10).

Seattle 100 401 101—8 17 2
Kansas City 042 030 30x—12 15 1
Milacki, Torres (4), Guetterman (6), Carmona (7) and Marzano; Appier, Linton (7), Montgomery (9) and Pasqua. W—Appier, 5-6. L—Milacki, 1-4. Sv—Montgomery (16).

Toronto 000 000 000—0 5 1
Texas 100 000 01x—2 5 2
Guzman, Castillo (6), Crabtree (8) and O'Brien; D.Oliver and I.Rodriguez. W—D. Oliver, 5-2. L—Guzman, 4-4.

NATIONAL LEAGUE

Philadelphia 000 102 000—3 10 1
Houston 000 300 40x—7 7 1
Schilling, Springer (7), Borland (7), Frey (8) and Santiago; Kile, W. Wagner (6), X. Hernandez (8) and R. Wilkins. W—W. Wagner, 1-0. L—Springer, 1-5. HRs—Philadelphia, Eisenreich 2 (2). Houston, Biggio (6).

St. Louis 010 000 000—1 5 0
San Francisco 010 000 02x—4 5 0
Stottlemyre and Sheaffer; VanLandingham, DeLucia (8), Beck (9), Lampkin; W— DeLucia, 2-1. L— Stottlemyre, 5-4. Sv— Beck (15). HR— St. Louis, Lankford (12).

Atlanta 312 012 030—12 18 2
Colorado 710 101 12x—13 16 0
Glavine, Clontz (6), McMichael (8), Wohlers (8) and J. Lopez, Perez (8); Farmer, Habyan (5), Holmes (7), B. Ruffin (9) and Owens. Je.Reed (9). W—Holmes, 2-1. L—McMichael, 3-1. Sv—B. Ruffin (8). HRs—Atlanta, Blauser (9), J. Lopez (10). Colorado, Bichette (9), L.Walker 2 (14), Weiss (2).

Florida 001 000 022—6 13 2
New York 000 130 30x—7 12 0
Weathers, Hammond (5), Miller (7) and Nokel, C. Johnson (8); M.Clark, D. Henry (8), Franco (9) and Hundley. W—M. Clark, 5-6. L—Weathers, 2-1. Sv—Franco (12). HR—Florida, Dv.White (4). New York, Hundley (14).

Montreal 000 210 100—4 10 0
Chicago 102 012 00x—6 11 0
P.J.Martinez, Dyer (6), Dodd (6), Scott (7), Rojas (8) and D.Fletcher, Spehr (6); Telemaco, T. Adams (7), B. Patterson (9), Wendell (9) and Servais. W—Telemaco, 3-2. L—P. J.Martinez, 5-3. Sv—Wendell (5). HR—Montreal, Andrews (6).

Cincinnati 000 010 300 0—4 13 2
Los Angeles 001 002 000 1—5 8 0
Portugal, Shaw (7), Carrasco (9), Remlinger (10) and Taubensee; Astacio, Osuna (7), Guthrie (7), Radinsky (8), Te.Worrell (10) and Piazza. W—Te.Worrell, 2-3. L—Carrasco, 1-1.

Phila. 220 001 011 000 02—9 17 0
S. Diego 200 300 200 000 01—8 13 2
(14 innings)
Ruebel, M. Wilkins (6), Plesac (7), Morel (8), Micelli (10), Cordova (12) and Kendall; Hamilton, Florie (7), Bochtler (8), Villone (8), Hoffman (9), Blair (11) and Ausmus. W— Cordova, 2-2. L— Blair, 0-3. HRs— Pittsburgh, Martin (9), Merced (9).

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct	GB
Hiroshima	31	20	0	.608	—
Chunichi	28	21	0	.571	2
Yomiuri	27	24	0	.529	4
Yakult	27	25	0	.519	4½
Yokohama	24	29	0	.453	8
Hanshin	17	35	0	.327	14½

SATURDAY'S RESULTS

Hanshin 4, Yokohama 3
Yakult 12, Hiroshima 7
Chunichi 2, Yomiuri 0

SUNDAY'S RESULTS

Hiroshima 7, Yakult 0
Yokohama 10, Hanshin 8
Chunichi vs. Yomiuri, ppd., rain

PACIFIC LEAGUE

	W	L	T	Pct	GB
Nippon Ham	30	24	1	.555	—
Orix	30	24	1	.555	—
Kintetsu	29	24	0	.547	½
Lotte	27	29	1	.482	4
Seibu	25	27	2	.481	4
Daiei	19	32	1	.375	9½

SATURDAY'S RESULTS

Orix 7, Nippon Ham 5, 11 innings
Lotte 3, Daiei 2
Kintetsu 4, Seibu 3

SUNDAY'S RESULTS

Orix 7, Nippon Ham 1
Seibu 5, Kintetsu 2
Daiei 5, Lotte 3

College World Series

SATURDAY'S FINAL

LSU 9, Miami 8

HOCKEY

NHL Playoffs

STANLEY CUP FINALS
(BEST-OF-7)
SATURDAY'S RESULT

Colorado	1	2	0—3
Florida	2	0	0—2

First Period: C-Lemieux 5 (Kamensky, Forsberg), 2, F-Sheppard 8 (Straka, Jovanovski) (pp), 3, F- Niedermayer 5 (Mellanby, Gerpenlov). Second Period: C-Keane 3 (Foote, Gusarov), 5, C-Sakic 18 (Deadmarsh, Leschyshyn). Third Period: None. Shots on goal: C-6-10-6—22, F-16-13-5—34. Goalies: C-Roy, F-Vanbiesbrouck. (Colorado leads series 3-0).

TENNIS

French Open

FINALS
MEN'S SINGLES

Yevgeny Kafelnikov (6), Russia, def. Michael Stich (15), Germany, 7-6 (7-4), 7-5, 7-6 (7-4).

WOMEN'S SINGLES

Steffi Graf (1), Germany, def. Arantxa Sanchez Vicario(4), Spain, 6-3,6-7(4-7),10-8.

MEN'S DOUBLES

Yevgeny Kafelnikov, Russia, and Daniel Vacek (7), Czech Republic, def. Guy Forget, France, and Jakob Hlasek (5), Switzerland, 6-2, 6-3.

WOMEN'S DOUBLES

Lindsay Davenport and Mary Joe Fernandez (4), U.S., def. Gigi Fernandez, U.S., and Natasha Zvereva (2), Belarus, 6-2, 6-1.

MIXED DOUBLES

Patricia Tarabini, Argentina, and Javier Frana, Argentina, def. Nicole Arendt and Luke Jensen, U.S., 6-2, 6-2.

SOCCER

EUROPEAN CHAMPIONSHIP
FIRST ROUND

England 1, Switzerland 1, tie
Spain 1, Bulgaria 1
Germany 2, Czech Republic 0

U.S. CUP

Mexico 1, Bolivia 0

MAJOR LEAGUE SOCCER

Kansas City 4, Columbus 3
(Kansas City win 4-1 in shootout).
Tampa Bay 2, Colorado 1
Dallas 4, San Jose 1

CYCLING

Tour of Italy

Leading results from Saturday's 21st stage, 250 km (155 miles) from Cavalese to Aprica: 1, Ivan Gotti, Italy, Gewiss, 7 hours, 55 minutes; 2, Pavel Tonkov, Russia, Ceramiche Panaria, :3 behind; 3, Pietro Ugumov, Latvia, Roslotto, :57; 4, Enrico Zaina, Italy, Carrera, same time; 5, Abraham Olano, Spain, Mapei, 2:52.

Leading results from Sunday's 22nd and final stage, 176 km (109 miles) from Sondrio to Milan: 1, Sergei Outchakov, Ukraine, Team Polti, four hours, 43:04 minutes; 2, Alexei Sivakov, Russia, Roslotto, same time; 3, Andrei Tchmil, Kazakhstan, Aki, s.t.; 4, Nicola Loda, Italy, Magnifica MG, s.t.; 5, Mario Scirea, Italy, Saeco, s.t.

FINAL OVERALL STANDINGS: 1, Tonkov 105 hours, 20 minutes, 23 seconds; 2, Zaina 2:43 behind; 3, Olano 2:57; 4, Pietro Ugumov, Latvia, 3:00; 5, Gotti 3:36.

GOLF

English Open

Leading scores after Sunday's final round in Birmingham:

R. Allenby, Australia	69-71-69-69—278
C. Montgomerie, Scot.	75-68-68-68—279
R. McFarlane, Britain	69-71-70-69—279

RUGBY

RUGBY UNION

Scotland 31, Southland 21
Australia 56, Wales 25

EUROPEAN SUPER LEAGUE

Sheffield 32, St Helens 43
Warrington 18, Leeds 48

PACIFIC RIM CHAMPIONSHIP

Hong Kong 22, United States 19
Canada 45, Japan 18

CRICKET

FIRST TEST
INDIA VS. ENGLAND, FOURTH DAY
SUNDAY, IN BIRMINGHAM

India 1st innings: 214
England 1st innings: 313
India 2d innings: 219.
England 2d innings: 121-2
Result: England won by 8 wickets and take 1-0 lead in the three-test series.

FOOTBALL

WORLD LEAGUE

Frankfurt 24, Barcelona 21
Amsterdam 24, Rhein 14

THE WEEK AHEAD

Monday, June 10

TENNIS, London — Stella Artois Grass Court Championship, through June 16.
Rosmalen, Netherlands — Heineken Trophy, through June 16; Oporto, Portugal — Oporto Cup, through June 16; Birmingham, England — DFS Classic, through June 16.

RUGBY UNION, Blenheim, New Zealand — South Island Division vs. Scotland.

SOCCER, Various sites — European Championship Finals, Netherlands vs. Scotland, Romania vs. France; Tehran, Iran — Asian Cup qualifying, Oman vs. Sri Lanka; Iran vs. Nepal; Port-of-Spain, Trinidad — World Cup qualifying, Caribbean Zone, second round, first leg, Cuba vs. Haiti.

Tuesday, June 11

RUGBY UNION, Various sites — South Island vs. Scotland.

SOCCER, Various sites — Italy vs. Russia, Turkey vs. Croatia; Cali, Colombia — Copa Libertadores, semifinals, second leg, America vs. Gremio.

Wednesday, June 12

RUGBY UNION, Brisbane, Australia — Rugby Union, Australia B vs. Wales; Gateshead, England — England vs. France, European Super League rugby league championship.

SOCCER, Tehran, Iran — Asian Cup qualifying, Oman vs. Nepal; Iran vs. Sri Lanka; Various sites — exhibitions, U.S. Cup '96, United States vs. Bolivia; Medea vs. Ireland; Buenos Aires — Copa Libertadores, semifinals, second leg, River Plate vs. Universidad de Chile.

Thursday, June 13

SOCCER, Various sites — European Championship Finals, Switzerland vs. Netherlands, Bulgaria vs. Romania.

GOLF, Bloomfield Hills, Michigan — U.S. Open, through June 16; Hexham, England — Slaley Hall Northumberland Challenge, through June 16.

Friday, June 14

RUGBY, Auckland — Rugby Union, New Zealand Maoris vs. Western Samoa.

SOCCER, Various sites — European Championship Finals, Czech Republic vs. Italy, Portugal vs. Turkey; Algiers, Algeria — World Cup qualifying, African Zone, first round, second leg, Algeria vs. Kenya; Various sites — Asian Cup qualifying, Sri Lanka vs. Nepal, Iran vs. Oman, Kazakhstan vs. Qatar.

Saturday, June 15

FOOTBALL, Amsterdam, Netherlands — WLAF, Frankfurt vs. Amsterdam.

RUGBY, Dunedin, New Zealand — Rugby Union, New Zealand vs. Scotland, first test.

SOCCER, Various sites — European Championship Finals, England vs. Scotland, France vs. Spain, East Rutherford, New Jersey — U.S. Cup '96, Ireland vs. Bolivia; Various sites — World Cup qualifying, African Zone, first round, second leg, South Africa vs. Malawi, Sierra Leone vs. Burundi, Senegal vs. Togo; Santo Domingo, Dominican Republic — World Cup qualifying, Caribbean Zone, Third round, First leg, Dominican Republic vs. Trinidad.

Sunday, June 16

FOOTBALL, Various sites — WLAF, Dusseldorf vs. London, Scotland vs. Barcelona.

AUTO RACING, Montreal, Canada — Canadian Grand Prix.

RUGBY, Tokyo — Pacific Rim Rugby Championship, Japan vs. United States.

SOCCER, Various sites — European Championship Finals, Russia vs. Germany, Croatia vs. Denmark; Various sites — World Cup qualifying, African Zone, first round, second leg, Burkina Faso vs. Mauritania, Angola vs. Uganda, Zambia vs. Sudan, Guinea vs. Guinea Bissau, Mozambique vs. Namibia, Zaire vs. Mauritius, Tunisia vs. Rwanda, Ivory Coast vs. Congo, Zimbabwe vs. Madagascar, Gabon vs. Swaziland; Pasadena, California — exhibition, U.S. Cup '96, United States vs. Mexico.

IHT Puts Baseball Stats on the Internet
All the box scores and the 1996 schedule on the IHT web site:
http://www.iht.com/IHT/SPORTS/bbl.html



SPORTS

Colorado Ready to Go for Clincher

By Len Hochberg
Washington Post Service

MIAMI — The Florida Panthers gave the Colorado Avalanche their best shot Saturday night. But then Colorado countered with a one-two punch—two quick goals early in the second period — to rally for a 3-2 victory that moved the franchise within one victory of a four-game sweep and its first Stanley Cup.

Mike Keane scored during a delayed penalty call 1 minute 22 seconds into the period and Joe Sakic connected on a breakaway at 3:00 to

NHL Finals

erase a 2-1 deficit and deflate the sellout throng of 14,703 on hand for this city's first Stanley Cup finals game.

The Avalanche will go for the clincher in the 79th NHL championship series in Miami on Monday night. If Colorado wins, it would mark the second straight season that the finals would end in a sweep. Only twice in league history have teams rebounded from 3-0 series deficits: Toronto overtook Detroit in the 1942 finals and the New York Islanders bested Pittsburgh in the second round in 1975.

For Sakic, it was his 18th goal of this postseason, one short of the all-time mark. It also was his sixth game-winner. Claude Lemieux, back from a two-game suspension, also scored against goaltender John Vanbiesbrouck to give the Avalanche a 1-0 lead early in the first period.

The desperate Panthers charged back. Ray Sheppard beat Patrick Roy on a power play — the sole man-advantage of the game — and Scott Niedermayer connecting two minutes later to give Florida a 2-1 lead after one period.

Panthers coach Doug MacLean said that in the first period "we played as well as we've played in the whole playoffs — up by, 2-1 and we had two great chances to go up 3-1."

Roy didn't let that happen. The star goaltender also made a remarkable game-saving stop on Scott Mellanby's stuff shot from the slot early in the third period.

"The Panthers came out really strong," Roy said. "We said after the first period we were in very good shape because it was a 2-1 game and we expected them to come out like that."

Those 20 minutes proved to be an extension of the rabid 20 minutes preceding the game. The public address announcer asked fans not to throw anything onto the ice, which is akin to asking the sun not to come up in the morning. Rats were going to fly — the only question was how many and that depended on the number of Panthers goals. There even was a sprinkling of the plastic rodents during warmups and the pregame player introductions.

While the Avalanche players were being announced, it became clear why the Panthers entered the night at a league-best 7-2 at home in these playoffs. The fans chanted "Let's Go Panthers" so loudly that one could barely hear the players' names announced over the loudspeakers.

But when Lemieux was introduced, that chanting was put on hold for a few seconds, so the fans could boo.

Once Game 3 started, it took Lemieux all of 2 minutes 44 seconds to make his presence felt in this series, not bad considering he was suspended from the first two games. In the Western Conference finals, Lemieux checked Detroit's Kris Draper from behind, breaking Draper's nose, jaw and cheekbone.

On his second shift, Lemieux and his linemates provided a 1-0 lead. Peter Forsberg got the puck to Valeri Kamensky breaking down the left side. Showing the Avalanche's superior speed, Kamensky beat defenseman Robert Svehla in a race behind the net. From there, Kamensky shoveled the puck in front, where Lemieux was stationed to poke it in.

Just like that, Lemieux — who won the Conn Smythe Trophy as the playoffs' most valuable player last year when he was with New Jersey — had his fifth goal of this postseason.

This was the closest thing to a must-win game the Panthers faced, and they responded nicely after their 8-1 defeat in Game 2. Exactly 6½ minutes after Lemieux scored, the Panthers tied it. Sheppard fired from the left circle, and with Dave Lowry stationed in front of Roy and defenseman Alexei Gusarov minding Lowry, Roy didn't see Sheppard's shot go past him.

Thousands of plastic rats instantly rained onto the ice. One of the critters arrived from a distant seat by parachute. There was a four-minute delay. But the break did nothing to stem the Panthers' momentum, and two minutes later they connected again — this time with Roy allowing his first soft goal of the series. Scott Mellanby let fly from the right circle and Roy allowed a big rebound. Niedermayer scooped up the puck, skated wide and directed a soft backhander at the net that, somehow, went in.

This time, there was a three-minute rat delay. The first period, the Panthers' best of this series, ended with them holding a 16-6 edge in shots and a 2-1 lead on the scoreboard.

Twenty minutes of outstanding play, however, was wiped away in three minutes, when Keane and Sakic connected.



Rick Bowmer/The Associated Press

Colorado goalie Patrick Roy was surrounded by plastic rats thrown by Panthers fans after Florida scored a goal.

Eleventh Hour for Sonics

Bulls Looking for 2 Victories in Seattle

By Mike Wise
New York Times Service

SEATTLE — A few days ago, the choice was between paying more attention to either the potent triangle offense or that annoying hologram defense. Now, the decisions are easier for George Karl and his team.

Michael Jordan will either draw a double or triple team. Gary Payton will either be sipping a double or triple latté.

On Sunday night, the SuperSonics faced the Chicago Bulls in Game 3 at Key Arena with Seattle trailing in the four-of-seven-game series, two games to none. Their goal was to keep a worldwide audi-

NBA Finals

ence from yawning and the Bulls from moving to within one game of immortality.

The Sonics have been pretty sleepy.

"Gary's fine," Karl said, referring to concerns over Payton's play in the first two games. His point guard is 12 for 32 from the field, has nine assists and four turnovers in two games.

Sure, he exchanged words with Jordan in the final seconds of Game 2, a 92-88 loss at the United Center on Friday, where he showed more animation than he has in three days. And, yes, Shawn Kemp's persistence inside and Seattle's late-game perseverance were encouraging signs for the Sonics.

But the difference between talking the talk and, well, taking a hike for the summer are abundantly clear.

The Bulls execute better in the final minutes than anyone in the league. The Sonics, meanwhile, are still experiencing growing pains when it comes to maintaining their poise down the stretch.

"We've learned from these two losses, but we haven't gained that confidence that comes with winning a basketball game," Karl said. "I think the one thing we're learning is that it's going to take 48 minutes of serious, intense basketball. I think in both games we've only given about 43, 44 minutes."

Chicago 92, Seattle 88

SEATTLE

	Min	FG	FT	O-T	A	PF	Pts
Kemp	40	8-18	13-16	8-13	2	3	29
Schrempf	41	5-14	4-4	1-2	3	5	15
Johnson	8	1-4	0-0	0-7	1	5	2
Hawkins	39	6-11	3-5	0-2	0	5	16
Payton	45	6-15	0-0	0-5	3	5	13
Perkins	33	5-10	3-4	1-4	0	3	13
Askew	22	0-1	0-0	0-4	1	3	0
Wingate	5	0-0	0-0	0-1	0	1	0
Brickowski	5	0-1	0-0	0-1	0	0	0
Snow	2	0-1	0-0	0-0	0	0	0
Totals	240	31-75	23-29	16-39	10	30	88

CHICAGO

	Min	FG	FT	O-T	A	PF	Pts
Pippen	38	8-16	5-6	3-7	2	3	21
Rodman	42	3-6	4-6	11-20	0	4	10
Longley	25	1-5	0-1	0-3	3	5	2
Harper	33	2-8	7-8	1-4	1	2	12
Jordan	43	9-22	10-16	2-6	8	3	29
Kukoc	24	4-12	1-2	3-5	5	2	11
Wennington	2	0-0	0-0	0-0	0	0	0
Buechler	5	1-1	0-0	0-0	0	1	2
Salley	7	0-0	0-0	0-0	1	4	0
Kerr	13	1-6	1-1	0-0	0	2	3
Brown	8	1-1	0-0	0-0	2	1	2
Totals	240	30-77	28-42	20-45	22	27	92

Seattle	27	18	20	23—88
Chicago	23	23	30	16—92

3-Point goals— Seattle 3-15 (Schrempf 1-3, Payton 1-4, Hawkins 1-5, Kemp 0-1, Perkins 0-1, Askew 0-1), Chicago 4-21 (Kukoc 2-7, Jordan 1-2, Harper 1-4, Pippen 0-4, Kerr 0-4). Technicals—Chicago assistant coach Rodgers, Seattle illegal defense 4, Chicago illegal defense 2. Flagrant foul—Perkins.

Kemp again carried the offensive load in Game 2, scoring 29 points to go along with his game-high 32 in Game 1. The Sonics battled back from a 13-point deficit in the fourth quarter to climb within three points late in the game. They held the Bulls without a field goal for the last six minutes of the game but could not convert themselves in the final minutes.

For the Sonics to stop the Bulls from climaxing this astonishing season on Seattle's home floor, they will have to take two of three games from Chicago over the next six days. One victory, and Jordan and friends would be sweepless in Seattle but still not forced to return to Chicago.

Two Sonic losses, and the Bulls emerge nearly unscathed in the playoffs. They would go a stunning 15-1 in April, May and June, setting a league record for an NBA champion.

"Hey, we could get three straight, you just don't know," the Seattle reserve swingman Vincent Askew said. "We just have to keep that one dude off the boards. He works too hard for us to be playing around."

Dennis Rodman's line for the series: 33 rebounds, 17 points and nine hard fouls. Aside from the tie-dyed hair and his adolescent antics after each lay-up he makes two inches from the rim, Chicago's most prominent alternative player was the reason the Bulls won Game 2.

His 11 offensive rebounds tied Elvin Hayes' finals record set in 1979. The Worm squirmed, pushed, pulled and willed his way through mounds of muscle to get to a loose ball in the final seconds, with the Sonics within three points.

It is that sort of desire — and Jordan's refusal to let his teammates get complacent at any time — that is turning this championship series into a sleeper. Jordan pulled Toni Kukoc aside to let him know how fortunate he should feel to have an open look at the basket in Game 2.

"I thought we were playing a really passive game, especially Toni," Jordan said. "He was very hesitant with the shot. He wasn't playing with aggression and I pulled him over to the side and asked him: 'Are you scared? If you're scared, then go sit down. If you want to shoot the ball, then come out and shoot it. Don't come out here to pass it.' "

Kukoc responded with his second straight outburst in the third quarter, scoring eight points in little more than 90 seconds as the Bulls opened a 13-point cushion early in the fourth quarter.

Meanwhile, Jordan has all the Sonics thinking just what he wants them to: that they're a fine team, good enough to compete, but not nearly great enough to overcome his Bulls.

Gooden and Yankees Avoid Tiger Sweep

Sandberg Homer Lifts Cubs Over Expos in Fogged-Out Chicago

The Associated Press

Dwight Gooden pitched four-hit ball for eight innings on Sunday and the first-place New York Yankees averted a three-game sweep by the struggling Detroit Tigers with a 3-2 victory.

Gooden (5-4) walked none, struck out six and left with a 3-1 lead. John Wetteland relieved to start the ninth and gave up a home run to Bobby Higginson before getting his 14th save.

Detroit, with the worst record in the majors, fell for the 40th time in its last 47 games. The Tigers were bidding for their

Baseball Roundup

first three-game winning streak of the season. Greg Gohr (3-8) allowed two runs on 11 hits in 6⅓ innings. He struck out two and walked none.

The AL East-leading Yankees used a lineup with four rookies, and all contributed to the win. Derek Jeter had two hits, including a leadoff double that started a two-run seventh that made it 3-1. Andy Fox singled and scored the Yankees' first run, Ruben Rivera hit two singles and Matt Howard's sacrifice set up a run.

Cubs 4, Expos 2 Ryne Sandberg hit a three-run homer into the fog and Steve Trachsel lowered his earned run average to 2.38 as Chicago beat Montreal.

The fog, which created problems for the players in Saturday night's game, drifted over Wrigley Field, at times obliterating the scoreboard in center field and the outfield bleachers.

Trachsel gave up four hits and walked none over seven innings. He struck out six for his first victory in his last five starts. Turk Wendell pitched the final inning for his sixth save.

Kirk Rueter (2-4) gave up three hits, walked one and struck out four over 6⅔ innings for Montreal. He retired 15 in a row and led 2-1 before Sammy Sosa doubled with two out in the seventh. Then Rueter walked Leo Gomez and was relieved by Dave Veres, who served up Sandberg's 13th homer on an 0-2 pitch.

Mets 3, Marlins 0 Jason Isringhausen allowed six hits and struck out a career-high 10 in his first major league shutout and Butch Huskey homered for New York.

The 25-year old Isringhausen (3-7), who had five losses and a no-decision in his previous six starts, retired 14 of the last 16 batters he faced. He escaped a jam in the ninth inning, retiring Terry Pendleton on a popup after Gary Sheffield and Greg Colbrunn had singled.

With the game scoreless, Huskey led off the third against John Burkett with his fifth homer.

Jose Vizcaino led off the Mets' seventh with a bloop double, but stopped at third on Bernard Gilkey's double to right. After Todd Hundley drew an intentional walk to load the bases, Marlins' third baseman Pendleton misplayed Jeff Kent's ground ball, allowing Vizcaino to score and Gilkey to take third. Rico Brogna's sacrifice fly to left scored Gilkey with the final run.

In games played Saturday:

Tigers 9, Yankees 7 The Tigers scored eight runs off Kenny Rogers (4-2) in just 2⅓ innings, three on a bases-clearing double by John Flaherty and two more on a double by Cecil Fielder. Gregg Olson (1-0) got his first victory as a Tiger in relief.

White Sox 2, Orioles 1 In Baltimore, James Baldwin and four relievers combined on a nine-hitter and Danny Tartabull drove in both runs. Lyle Mouton had three hits for the White Sox.

Indians 6, Angels 0 In Cleveland, Orel Hershiser and Julian Tavarez combined on a shutout and Manny Ramirez drove in two runs. Hershiser went seven innings, allowing four hits, one walk and striking out four.

Rangers 2, Blue Jays 0 In Arlington, Darren Oliver, the Texas starter whose 1995 season was cut short by rotator-cuff surgery, pitched his first major league shutout. Oliver (5-2) allowed five hits, struck out four and walked one.

Royals 12, Mariners 8 Bip Roberts drove in four runs and a struggling Kevin Appier picked up his second victory in seven starts.

Brewers 3, Red Sox 2 Kevin Koslofski, called up by Milwaukee earlier in the day, doubled in the 10th inning and scored on Boston's fourth error.

Twins 4, Athletics 2; Athletics 13, Twins 7 George Williams hit a grand slam and Brent Gates added a two-run homer in a six-run fifth inning that gave Oakland a victory over Minnesota and a split of the only scheduled doubleheader in the majors this season. The Twins won the opener, ending an eight-game losing streak against the A's.

Rockies 13, Braves 12 In Denver, the Colorado Rockies roughed up an Atlanta ace for the second straight day, scoring seven runs in the first inning off Tom Glavine and later rallying to beat the Braves. Braves' manager Bobby Cox was ejected for arguing balls and strikes.

Cubs 6, Expos 4 Brian McRae doubled three times leading off innings and scored each time as the Cubs found their bearings in a game played in dense Chicago fog.

Dodgers 5, Reds 4 In Los Angeles, the Dodgers, boosted by a surprise visit from Brett Butler before the game, beat the Cincinnati Reds on Delino DeShields' RBI single in the 10th inning. Butler, who underwent cancer surgery on his throat two weeks ago, popped into the Dodgers clubhouse about 45 minutes prior to the first pitch.

Pirates 9, Padres 8 Al Martin hit a two-run homer in the 14th inning for the game winner. The Pirates had tied the game at 7-7 with two outs in the ninth on Carlos Garcia's RBI triple.

Giants 4, Cardinals 1 Stan Javier's two-out, bases-loaded double broke an eighth inning tie to lift San Francisco.

Astros 7, Phillies 3 In Houston, Craig Biggio hit a tiebreaking three-run homer in a four-run seventh inning and Billy Wagner got his first big-league victory.

Mets 7, Marlins 6 Jeff Kent went three-for-three and drove in three runs as New York held off visiting Florida for its first victory in five games against the Marlins this season.



Gary C. Caskey/Reuters

Gary Darling telling Bobby Cox, the Braves' skipper: 'You're outta here!'

THIS WEEK ON EUROSPORT



The greatest footballers in Europe gather in England for EURO '96; who will succeed Denmark as the European Champions? As tennis moves into its grass-court season the action moves to Queens; can Pete Sampras win the Championship again?

Football : 10-30 June, EURO '96, LIVE, The European Championship, England. The Championship moves into its second week and brings the big guns of Germany, Italy, France, Holland and Spain into play.

Tennis : 12-16 June, LIVE, The Stella Artois Championships, Queens. Pete Sampras, Thomas Muster and Boris Becker head the field for the traditional pipe-opener to Wimbledon.

Formula One : 14-16 June, LIVE, The Canadian Grand Prix, Montreal. Jacques Villeneuve will go back to his native Canada behind the wheel of an F1 car for the first time, determined to achieve a first victory on home soil.

Canoeing : 14-16 June, LIVE, The Wild Water World Championship, Austria. As the sport builds up for the Olympic Games, the greatest names in the sport gather in the Tyrol for the World Championships.

Eurosport, the sports TV channel for Europe, covering the best action from Europe and around the world, is available throughout Europe, via cable and satellite.

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SPORTS

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WORLD ROUNDUP



Rebecca Naden/AFP

Mike Atherton dodging a high-bouncing ball Sunday.

England Wins Test

CRICKET England completed an eight-wicket victory over India on the fourth morning of the first test at Edgbaston, Birmingham, on Sunday. England resumed its second innings at 73 runs for one wicket, needing 48 for victory. It made the runs in just over an hour. Mike Atherton, England's captain, led the way with an unbeaten 53. The victory gave England a 1-0 lead in the three-match series.

Only an excellent century by Sachin Tendulkar in India's second innings on Saturday saved India from a quicker defeat. Tendulkar made 122 of his country's 219 runs. *(Reuters)*

Hamed Retains Title

BOXING Naseem Hamed of Britain, known as "Prince," retained his World Boxing Organization featherweight title with a second-round knockout of Daniel Alicea of Puerto Rico in Newcastle, England, on Saturday. *(Reuters)*

Oscar De La Hoya, 23, cut Julio Cesar Chavez severely on Friday night to win Chavez's WBC super-lightweight title in Las Vegas. The fight ended in the fourth round with Chavez, 34, bleeding heavily from cuts over both eyes. *(LAT)*

Allenby Charges Home

GOLF Robert Allenby took advantage of 18-hole bogeys by Colin Montgomerie and Ross McFarlane to win the English Open by one stroke on Sunday. Allenby, an Australian, birdied the 15th, 16th and 17th holes and parred the last for a closing round of 69 at the Forest of Arden course. *(Reuters)*

LSU Takes College Series

BASEBALL Warren Morris of Louisiana State University hit a two-run homer with two out in the bottom of the ninth on Saturday to lift his team to victory, 9-8, over the University of Miami in the College World Series. Alex Cora had put Miami ahead, 8-7, with a single in the top of the ninth. *(AP)*

Admirals Sail On

FOOTBALL Will Furrer threw three touchdown passes as the Amsterdam Admirals beat the Düsseldorf Rhein Fire, 24-14, on Sunday in the World League of American Football. *(AP)*

Kafelnikov Defeats Stich in Straight Sets for French Title

International Herald Tribune

French Open / **IAN THOMSEN**

PARIS — Yevgeni Kafelnikov was raised somewhat anonymously in the Soviet sports system, but at 22 he has become a millionaire capitalist in a white baseball cap.

With his 7-6 (7-4), 7-5, 7-6 (7-4) victory over Michael Stich in the French Open men's final on Sunday, Kafelnikov became the first Russian to win a tennis Grand Slam tournament. Few of the 17,000 fans around center court had bought their tickets expecting to see him there. They came with little emotional involvement and left with memories of an elegant performance, probably not the last of its kind. "It is just a dream," Kafelnikov said. "I never felt that I could do it, winning a Grand Slam at age 22."

More than just that, he became the first man since Ken Rosewall in 1968 to win both the singles and doubles championships — the latter in partnership with Daniel Vacek on Saturday. It was a quantum leap for the young man who is perhaps the tour's hardest-working player.

After winning the opening tiebreaker, Kafelnikov allowed Stich to break ahead in the first and seventh games for a 5-2 lead in the second set. From there, Kafelnikov recovered one of the breaks after Stich began with a double-fault. Then, in the crucial 10th game of the second set, Kafelnikov guessed wrong with a short attempted pass that Stich volleyed for set point. The Russian knelt down and beat the brains out of his racket's head, a momentary lapse. He found a new racket, saved the set point, and eventually slammed away a blooped volley by Stich for the equalizer.

Kavelnikov won the last five games of that set, three of them against Stich's serve. "I just couldn't get any free points on my first serve, and I didn't serve well when I had to, most of the time," said Stich, the 27-year-old German whose only major title remains Wimbledon in 1991.

Stich underwent ankle surgery in March and decided to come to Roland Garros on a whim, mainly for the match practice in anticipation of Wimbledon two weeks from now. He had advanced past the defending champion Thomas Muster and others, helped by his relaxed attitude, which enhanced his elastic abilities. Against Kafelnikov, who had done away with Pete Sampras in the semifinal, those abilities lacked the focus of passion.

Stich claimed that the court was slower than in earlier rounds, but he had bigger problems than that. He tried to affect the rhythms of the match, but Kafelnikov managed to keep the ball coming back unpredictably, as if from a pebbled wall. Stich couldn't rally with Kafelnikov from the baseline and the Russian was able, steadily, to pass Stich at the net or lob him. Stich served with the grace of a fisherman casting a fly, while Kafelnikov simply wound up and fired like a baseball pitcher.

In the crucial moments of the final set when Kafelnikov broke back to 4-4 — then assembled two match points against Stich's serve in the 10th game, followed by two more in the tiebreaker — it seemed as though less was likely to go wrong with Kavelnikov's strokes. He was a more efficient, better-tuned version of Stich.

"Playing so many tournaments, so many matches, really helps me because I was able to keep my confidence at a very high level," said Kafelnikov, who played more matches in 1994 and 1995 than any other leading player. "I remember the last time I took two weeks off — I was out of the shape for the next three weeks, I was a totally different player. Even doubles is really helping me."

A few moments after winning, Kafelnikov suddenly threw his racket high into the stands, as if noticing the people around him for the first time. Then, head down, he walked toward the box where his coach was crying. Anatoly Lepeshin had been in charge of the Soviet national team when he took on Kafelnikov six years ago.

"I was ranked 450 in the world in juniors," Kafelnikov recalled. "I was 17 and I was nobody; nobody even wanted to work with me. But he did believe in me. And you see in six years, I won the Grand Slam title and we both could never have thought that someday it might happen."

He had first come to Paris four years earlier, he remembered. No one could have thought then what would have become of his country.

"I was 13 years old and I was a member of the Soviet Union junior team," Kafelnikov said. "I was the fifth member of the team and I remember, I didn't play any matches. But it was a great feeling — can you imagine, 13 years old, first time stepping in a foreign country?"

After Sunday's victory, he couldn't make sense of what his eyes, wide and darting, were seeing. No, he said again and again, he never could have imagined any of it.

Favored Germany Off to Powerful Start

Weekend's Other Games End 1-1 While Referees Make a Mark

Compiled by Our Staff From Dispatches

EURO '96

As other teams faltered, Germany took an emphatic stride toward the quarterfinals of the European soccer championships on Sunday. Three of the four games on the opening weekend of the tournament ended in 1-1 ties. The exception was at Old Trafford, Manchester, where Germany beat the Czech Republic, 2-0.

The competition kicked off Saturday at Wembley Stadium, in north London, where England, the host, disappointed the majority of spectators in a packed house with a lackluster and confused performance, having to settle for a 1-1 tie against Switzerland.

In the first game on Sunday afternoon, Spain and Bulgaria tied, 1-1, both in goals and expulsions at Elland Road, Leeds. In Sunday's third game, the best of the weekend, Portugal and Denmark tied 1-1 at Hillsborough in Sheffield.

Referee Piero Ceccarini, from Italy, showed two red cards and seven yellow ones in that match. David Elleray, from England, flashed his yellow card 10 times in Germany's victory and Mario van der Ende, of the Netherlands, booked six players in the game in Sheffield.

Add to those the five yellow cards in Saturday's opening match between England and Switzerland and the total was 28 yellows in four games.

Germany 2, Czech Republic 0 Germany made an impressive start against the Czechs but lost a key defender, Jürgen Kohler, for the rest of the tournament.

Germany took control of the match in the first half with similar 20-yard goals by defender Christian Ziege and midfielder Andy Möller.

Kohler, captain for the day in the absence of the suspended Jürgen Klinsmann, will miss the rest of the tournament after tearing ligaments in his right knee in a tackle on the Czech striker, Pavel Kuka, early in the first half.

Wolfgang Niersbach, a German team spokesman, said the 30-year-old Borussia Dortmund player would fly back to Germany for an operation. "It has hurt Jürgen and it has hurt us even more," said Berti Vogts, the German coach, "He is one of the best man-to-man markers in the world."

Kohler said: "It is annoying but this is the job of football and you have to live with it."

Ziege thrust Germany ahead in the 26th minute. He ran on to a pass from Fredi Bobic on the left, beat two opponents and fired a shot low and inside Petr Kouba's right-hand post from 20 yards out.

The Germans increased their advantage in the 32d minute when Möller sped down the left, beat two players as he cut in, and from the same spot 20 yards from goal placed a low shot in the same corner of the net.

Portugal 1, Denmark 1 An exhilarating display by Portugal earned only partial rewards as the team drew with defending European champion Denmark in the opening match of group D.

A 53d-minute header by Sa Pinto canceled out a 21st minute goal from the Danish striker Brian Laudrup. The Danes were clearly happier with the result. As the game drew to an end they tried to run time off the clock while the Portuguese continued to press forward as they had throughout the game.

The Portuguese had been inspired by Rui Costa and Joao Pinto and were only denied by the skill of Danish goalkeeper, Peter Schmeichel, who made a number of impressive saves saves.

The Danes had chances to achieve an unlikely victory, notably when the Laudrup brothers exchanged passes and Brian finished the move with a close-range flick that bounced to safety off the shins of goalkeeper Vitor Baia.

Spain 1, Bulgaria 1 Alfonso Perez, a 72d-minute substitute, saved Spain from defeat with his first touch of the ball, deflecting a low shot into the Bulgarian goal for the 74th minute equalizer in the first game in Group B.

Alfonso was just inside the six-yard box when he turned a shot from the left by Sergi Barjuan past goalkeeper Boris Mihailov. Barjuan's involvement redeemed the Barcelona defender who had brought down Emil Kostadinov in the Spanish penalty area nine minutes earlier. Hristo Stoichkov, a former Barcelona player, converted the penalty for Bulgaria.

Bulgaria was a man short when Spain equalized. Petar Hubchev, the sweeper, was shown the red card two minutes earlier for pulling down Jose Luis Caminero just outside the penalty area when the Spanish striker was racing through on the Bulgarian goal.

The Spanish striker Juan Pizzi was then sent off for two minutes after the equalizer for a foul on the young Bulgarian defender, Radostin Kishishev.

Spain, the Group B favorite, should have gone in at halftime in the lead, but striker Julen Guerrero had an unhappy match. He missed an open goal early on, then opted to put the ball square when he could have shot late in the second half and Hubchev lunged to deflect the pass.



Radu Sigheti/Reuters

Yordan Letchkov, right, of Bulgaria, and Luis Enrique Martínez of Spain fighting for the ball on Sunday.

Stoichkov and defender Trifon Ivanov — skimming the posts twice with long range shots — might have scored for Bulgaria before the interval and looked the sharper side early in the second half.

The World Cup semifinalists' penetrating long-range balls frequently threatened to rip open the Spanish defense. Stoichkov was ruled offside when he put the ball in the net in the 48th minute.

Andoni Zubizarreta, the Spanish goalkeeper who was winning a record 107th cap, made a good save at the feet of Yordan Lechkov in the 59th minute. Then Stoichkov's deep cross found Kostadinov racing into the box.

The Bayern Munich forward was bundled off the ball. Zubizarreta, another former Barcelona player, guessed Stoichkov's intention correctly and dove to his left. But Stoichkov stroked the kick with precision just out of the goalkeeper's reach, off the base of the goalpost and into the net.

Spain attacked furiously. Alfonso had barely come on for Guillermo Amor when there was a melee in the Bulgarian penalty area. Barjuan struck a rasping cross-shot into the crowd of players in front of the Bulgarian goal and Alfonso reacted fastest.

England 1, Switzerland 1 England put on a glorious coming-home party Saturday, only to have it spoiled by guests intent on their own festivities.

Switzerland's late goal at Wembley to earn a tie against the hosts in the opening match of Euro '96 proved a damper to a carefully planned celebration honoring the nation that invented soccer.

From the pageantry of a lavish opening ceremony on the Wembley pitch to Alan Shearer's first half goal, everything seemed on course for a fitting home victory in the tournament organizers are billing as "Football comes home."

But at the final whistle the England team trooped off into the tunnel with their heads bowed in disappointment while the Swiss rejoiced in front of their own fans as if they had won the tournament — thanks to Kubilay Turkilymaz's penalty seven minutes from time.

The result was justice for a Swiss team, which had much the better of the second half and which had more clear cut chances. Yet both of the goals in the opening match hung on questionable refereeing decisions.

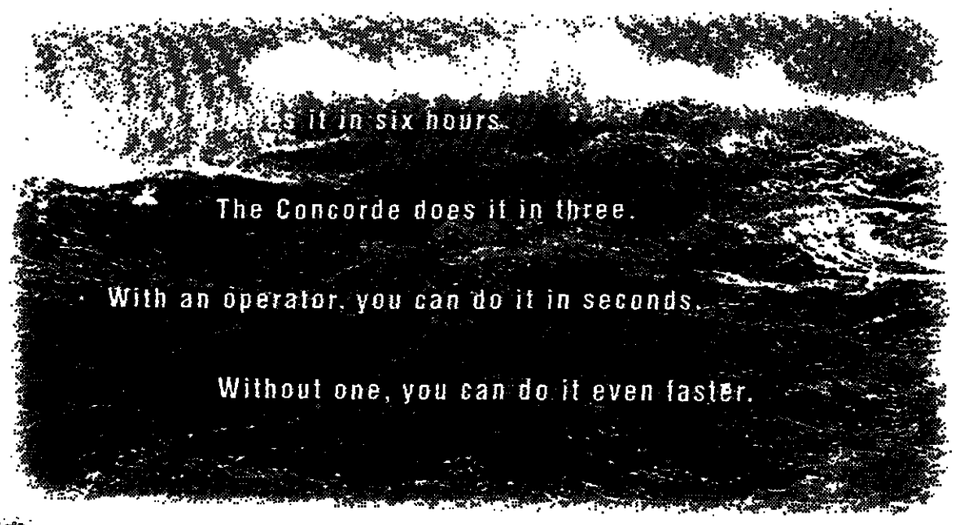
Shearer and Teddy Sheringham both looked marginally offside when England scored. The penalty, given for handball against Stuart Pearce who had his head turned away when a Marco Grassi shot struck his outstretched arm, seemed harsh.

England began strongly enough with Paul Gascoigne showing imagination and appetite for the fray in midfield and Steve McManaman creating mayhem down the left wing. But the more delicate passing game of the Swiss, orchestrated by midfielder Ciriaco Sforza, continually posed problems for England's defense.

Even before England faded badly in the second half, the Swiss could have scored several times, especially when Grassi hit the bar from close range.

The first half could have been straight out of England's premier league: soccer played at furious speed with plenty of action in both goalmouths.

But Switzerland seized the midfield initiative as Gascoigne faded in the second half and the game settled into the dull pattern so often associated with tournament opening matches. England should be more careful who they invite to their parties. *(AP, Reuters, AFP)*



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Armenia●▲	8◆14111
Austria●○	022-903-011
Belgium●	0-800-100-10
Bosnia▲	00-800-0010
Bulgaria■	00-800-0010
Croatia■	99-385-0111
Czech Republic●	00-42-000-101
Denmark	8001-0010
Finland●	9800-100-10
France	19-0011
Germany	0130-0010
Gibraltar■	8800
Greece●	00-800-1311
Hungary●	00◆800-01111
Iceland●	800 9001
Ireland	1-800-550-000
Italy●	172-1011
Lithuania■	8◆196
Luxembourg	0-800-0111
Macedonia, F.Y.R.●○	99-800-4288
Monaco●	19-0011
Netherlands●	06-022-9111
Norway	800-190-11
Poland●▲	8◆0-800-111-1111
Portugal▲	05017-1-288
Romania●	01-800-4288
Russia●▲(Moscow)◆	755-5042
Slovak Rep.●▲	00-42-000-101
Spain○	900-99-00-11
Sweden	020-795-611
Switzerland●	0-800-55011
Turkey●	00-800-12277
Ukraine▲	8◆100-11
United Kingdom▲	0500-89-0011

MIDDLE EAST	
Bahrain■	800-001
Cyprus●■	080-90010
Egypt●(Cairo)∓	510-0200
Israel	177-100-2727
Jordan■	18 800 000
Kuwait■	800-288
Lebanon (Beirut)●†■	426-801
Qatar■	0800-011-77
Saudi Arabia◇	1-800-10
Syria	0-801
U. Arab Emirates●■	800-121

AFRICA	
Gabon●	00◆001
Gambia●	00111
Ghana	0191
Ivory Coast●	00-111-11
Kenya▲	0800-10
Liberia	797-797
Morocco■	002-11-0011
Sierra Leone	1100
South Africa	0-800-99-0123
Zambia■	00-899
Zimbabwe▲	110-999

AMERICA	
Argentina■	001-800-200-1111
Bolivia●	0-800-1112
Brazil	000-8010
Canada■	1-800-225-5288
Chile	800-800-311
Colombia	980-11-8010
Costa Rica●■	0-800-0-114-114
Ecuador●▲	999-119
El Salvador○■	800-1785
Guatemala○	190
Mexico▽■	95-800-462-4240
Nicaragua■	174
Panama●■	109
Peru▲■	171
Venezuela●■	800-11-120

AT&T Your True Choice

AT&T Access Numbers for countries in the Asia/Pacific region are listed daily in the Asian edition of the International Herald Tribune.

Listed connections from countries with tone prompts customized to require U.S. carrier on calls to the U.S. Automated calling may not yet available from all countries or phones. Dial local overseas operator to obtain assistance if the U.S. Direct calling is available to the U.S. only. Country to country rates quoted at the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all the countries listed from ●Public phones require deposit of coin or phone card for dial tone. Wait for "dial tone" first, outside tone. Wait "OK" first, outside tone only. ▲Additional charges apply when calling outside Moscow. ◆Limited Availability. ▽Caller calling outside ○Public phones require local coin payment during call. Not available from public phones. ◇Wait second dial tone. †When calling from public phones, use phones marked "Orient". ∓Calling available to designated countries. ■Country to country calls can only be placed to the country of origin. 7/96